

Businessworld

CHANGING CONCERNS

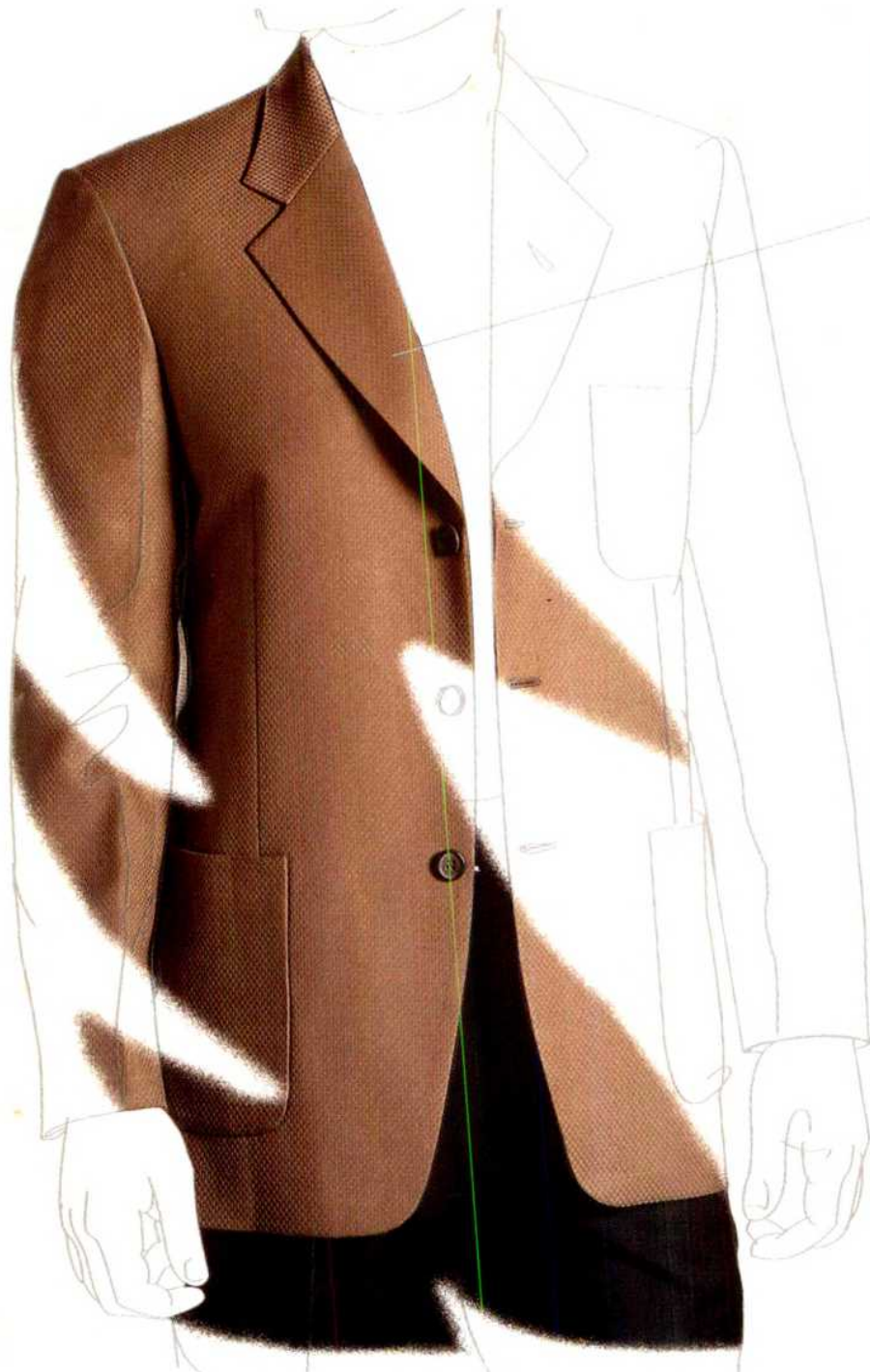
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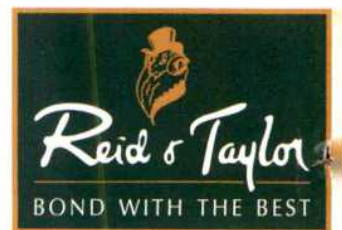
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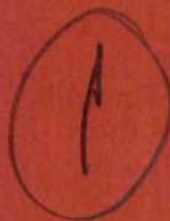
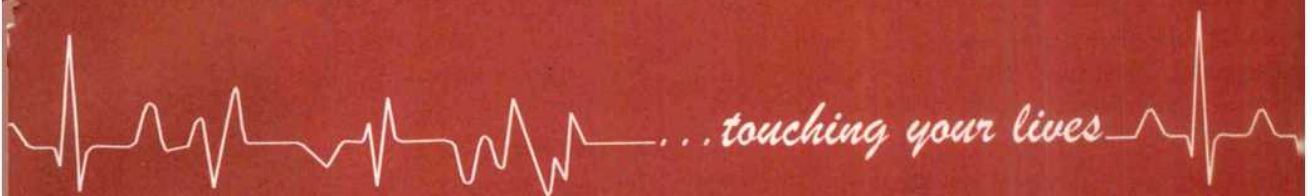
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Corporate Strategy & General Management



Ram S. Ramasundar, who will take over as chief operating officer of Satyam's BPO arm, Nipuna Services, writes the preface to this section.

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R.R. Nair, advisor (organisation development), HLL, and head of Unilever's business group training for Central Asia and China, introduces this section.

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V.S. Sitaram, vice-president

(corporate strategy), at the London headquarters of Unilever, writes the preface to the sales and distribution section.

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Changing Times

THE first case study in *Businessworld* appeared in the 14 December 1994 issue. It dealt with a senior manager facing a rather piquant problem. High inventories were playing havoc with his company's bottomline. At the same time, the company was plagued by recurring stockouts.

As case studies editor Meera Seth points out, the case reflected one of the most pressing concerns of that time. The business environment had just started to change. Many sectors were feeling the first winds of open competition. Problems like excess inventory and stockouts were finally becoming important enough for senior managers to worry about. And Indian companies were borrowing heavily from Japan to get their forecasting and inventory management acts together.

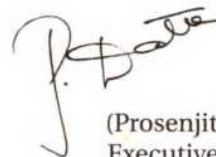
Since that time, a new case study has appeared every fortnight in *Businessworld*, regular as clockwork, and has become one of the more popular sections in the magazine.

Every year, for the past three years, we have brought out a Case Study Annual which contains the best cases of the previous 12 months. This year, we decided to do it a bit differently. We went back in time, to 1997, to check out how corporate problems and issues have changed over the years in four areas of management: corporate strategy & general management, marketing & consumer behaviour, sales & distribution and human resources development. We picked 1997 as the base year because that was the year when globalisation of the Indian markets started in right earnest.

The issues have changed dramatically in each and every area of business — as you will realise when you go through this edition. The concerns uppermost in the minds of managers in 1997 were very different from those in 1999, which, in turn, were different from the concerns of 2002.

We got four experts to write the prefaces to our sections. Regular readers of *BW* case studies will be familiar with the incisive analyses of Rama Bijapurkar on marketing & consumer behaviour, and R.R. Nair on HR. They have written the introductions to these sections in this issue. R.S. Ramasundar, former CEO of Electrolux-Kelvinator, who is in the process of taking over as COO of Nipuna Services, the BPO arm of Satyam Computers, is a more recent addition to the ranks of our case study analysts. He agreed to write the preface to the corporate strategy & general management section. V.S. Sitaram, vice-president (corporate strategy) at the London headquarters of Unilever is making his first appearance in the *BW* case studies with the introduction to the sales & distribution section.

Enjoy the issue.



(Prosenjit Datta)
Executive Editor



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Ram S. Ramasundar is in the process of taking over as the COO of Nipuna Services, the BPO arm of Satyam Computers. His last assignment was as CEO of Electrolux-Kelvinator India. This IIM-A alumnus has worked with the Unilever group for over 15 years both in India and abroad, and for five years with Pepsi. Given his rich corporate experience, Ramasundar has always brought fresh insights to the case study analyses — as well as a dash of humour.

WE are in a brawl with no rules!" This was the title slide of the presentation made by Tom Peters at a recently held marketing seminar in India. Come to think of it, this is as true in the Indian business context as elsewhere in the world. In fact, the rules are changing with such rapidity that only the nimble and fleet-footed corporations can survive henceforth, let alone win the race.

Over the last five years or so, the entire business landscape has changed, impacted by factors external to the organisation. The two fundamental forces, which influenced these changes, are:

- Liberalisation of the economic environment
- An ever-expanding force called the Internet.

Both these necessitated a fundamental re-think of the corporate strategies and business models. More specifically, the corporate environment is changing under the influence of a number of inexorable developments such as:

The Information Power: The most powerful change in the last decade, in both the working environment and lifestyle, has been the proliferation of communication technology. The phenomenon of instant information has created unprecedented new opportunities as well as challenges to almost every organisation. Never in human history have we been able to access and distribute so much

According to Peter Drucker, "The corporation as we know it, which is now 120 years old, is not likely to survive the next 25 years." In fact, 39 companies of the *Forbes 100* in 1917 were no longer alive in 1987, and even the survivors from the list underperformed the market by 20%. Even the so-called good companies with good management have begun to struggle for survival in the changed scenario. The key challenge, therefore, for the companies is how to transition from good to great because ultimately only the great companies will survive these turbulent times. Essentially, in today's business scenario, the corporations have to struggle with two fundamental, but apparently conflicting, set of issues:

- How do we make an impact in the crowded and competitive marketplace, with consumers getting increasingly value conscious?
- How do we deliver the shareholder's expectations for returns on their investments?

At a more specific level, these rapid changes over the last few years have manifested in key questions, such as:

- How do I drive growth?

In most consumer product categories, the penetration levels are so low compared to global standards (even in comparison to our far-eastern neighbours) that there is a great business opportunity. But unfortunately, this opportunity is derived from the theoretical population size, the number of middle-class households and other such aggregated data, which unfortunately has not translated into actual business in the marketplace. The market growth has been far too slow and relatively small to accommodate so many competitive players. As a result, most companies are faced with strategic dilemmas such as:

- Do I stick to my knitting or diversify into related areas?
- Do I develop a product for the mass of Indian consumers or



Corporate Strategy & General Management

information, to so many people, so directly and rapidly.

Accelerating Pace Of Change In Technology: The expanding availability of information, together with the exponential development of technology and the consequent lower unit prices for technological capability, means that a larger number of people today have access to advanced technology. It took 35 years for 10 million people to be connected to the telephone; whereas for the same 10 million people to get connected to the World Wide Web, it took just over one year. As a result, every customer today is well informed and knowledgeable.

Globalisation Of Markets: Accompanying these changes, is the opening up of the Indian economy to global competition — in the form of reduced tariff barriers, free flow of foreign investments and entry of several large multinational corporations into the Indian marketplace. The Indian market is no longer an isolated island and has now transitioned from the protected economy of the 80s to the competitive era of the 90s. These competitive forces have questioned the conventional business logic so much so that business paradigms have changed significantly and the old successes are no longer a guarantee for future success.

should I bring in the existing international range?

- Do I just join in the existing market or drive the category growth?

These are not only difficult choices, but the mistakes could prove to be rather expensive.

- How do I offer a value proposition to consumers?

With the entry of more players (MNCs or otherwise), the consumer today has a wide array of choices and in addition, with the rapid advancements in the communication technology, consumers have become better informed, knowledgeable and sophisticated. All this has meant, therefore, that while the price points have been dropping in the marketplace, year on year, (the price of colour television sets and PCs is a good example) the cost of doing business has gone up quite significantly, driven by the need to be heard and seen by the consumers. Companies have to, therefore, increasingly think of defining and re-defining the product and service offerings to the consumer at much shorter intervals.

- How do I ensure an economic return to the investor?

Growing the category, value-conscious consumers, declining price points, increasing cost of doing business (be it people cost or media cost) — have all contributed to an enormous pressure

on the profit margins of most companies. Cost management has, therefore, become an extremely crucial issue — but there are some basic constraints in this regard. For instance, in a highly fluid business environment, companies should have the capabilities to scale up or down, depending on the market situation. But this is easier said than done, at least in the case of manufacturing companies, because of the absence of exit legislations. In any case, companies cannot just cost-manage their way to success and it is becoming increasingly important to revisit the basic business models, to assess their relevance in the changed context. The obvious strategic choices arise, such as:

- Own manufacturing or outsourcing arrangements
- 100% subsidiary or joint venture
- Closely held company or listed entity
- How do I manage short-term profits versus long-term growth imperatives?

This is a major dilemma confronted by most corporations today because unfortunately, it has become an 'either-or' situation. A long-term growth necessarily envisages significant investments in R&D or brand building or manufacturing infrastructure, etc., but the short-term profit compulsions force many companies to compromise on these long term needs. Nobody likes red ink in the company's balance sheet and even the MNCs, with their so-called long-term vision for India, do tend to lose faith in the local Indian operations if the business makes losses consistently — at some point in time, such haemorrhaging leads to a lack of credibility with the global parent or the majority shareholders.

- How do I create an organisation, which is agile and responsive?

This encompasses the whole gamut of soft issues such as behaviour, culture, teamwork and the appropriate organisation structures. The command and control hierarchy style of the past is becoming increasingly irrelevant in today's cyberworld. This obviously means a significant cultural shift in the thinking:

- Building a transparent communication system within the firm.
- Learning to work together in teams.
- Having a customer-centric focus at all times, at all levels.
- Nurturing an environment, which encourages innovation and creativity.
- Flatter organisation structures, with focus on learning and knowledge management.

Ultimately, winning is all about leadership. Winning organisations tend to have leaders at all levels and producing those leaders is what separates winners from the losers. In such winning organisations, in the short term, the leaders prepare the organisations to be in a state of readiness to respond to changes and for the long term, they create organisations, which can sustain success. Thus, the critical determinants for success will revolve around:

- **Leadership** — Narayana Murthy of Infosys and Dhirubhai Ambani readily come to mind.
- **Lateral thinking and innovation** — *"The problem is never how to get new, innovative thoughts into our mind, but how to get the old ones out."* — Dee Hock.
- **A winning mindset, culture and organisational values** — in the David and Goliath story, while everybody thought that Goliath was too big to hit, David thought that he was too big to miss — same giant, different perceptions!

The following case studies bring out many of these issues brilliantly:

Case 1: Don't Carry Excess Baggage

This case revolves around several issues covering relationships, managing change and business ethics. While we needn't go into the merits or demerits of Megalin's acquisition of Neocooler, it

has to be recognised that any acquisition brings into the fold assets and liabilities. Therefore, the habit of Neocooler salesmen perpetuating their old bad practices comes as no surprise, since unlearning is not easy. While the Neocooler sales team came with a wealth of experience in their trade relationships, they also brought with them their unsavoury trade practices as a baggage.

The key challenge confronting organisations then is how to effectively integrate the new acquisition, and build on their strengths, which requires comprehensive and proactive programmes and training initiatives. Though it is a difficult process, it's still the only way to make an acquisition work. Managing this integration process is indeed the leadership challenge.

Case 2: Different Styles And Strokes

This case talks about two contrasting leadership styles, both of which are successful, but the key question is which one is sustainable over the long term. Whereas Belfora believed in aggression and an autocratic style with diktats all around, Elbonne was the complete opposite where the CEO even shares his presentation to the head office with his staff members. While Belfora can be happy with its performance in the short term, its sustainability in the long term is highly debatable and doubtful. In markets, where speed is of the essence and agility is required, the whole team has to be energised and focussed on the vision and this is only possible if there is a common set of values bonding the whole organisation with which every team member can identify. Ultimately, it is true that values drive behaviour and behaviour, in turn, drives results. Jettisoning the old success paradigms is indeed painful and difficult, and I hope Belfora realises this sooner before it too becomes a dinosaur.

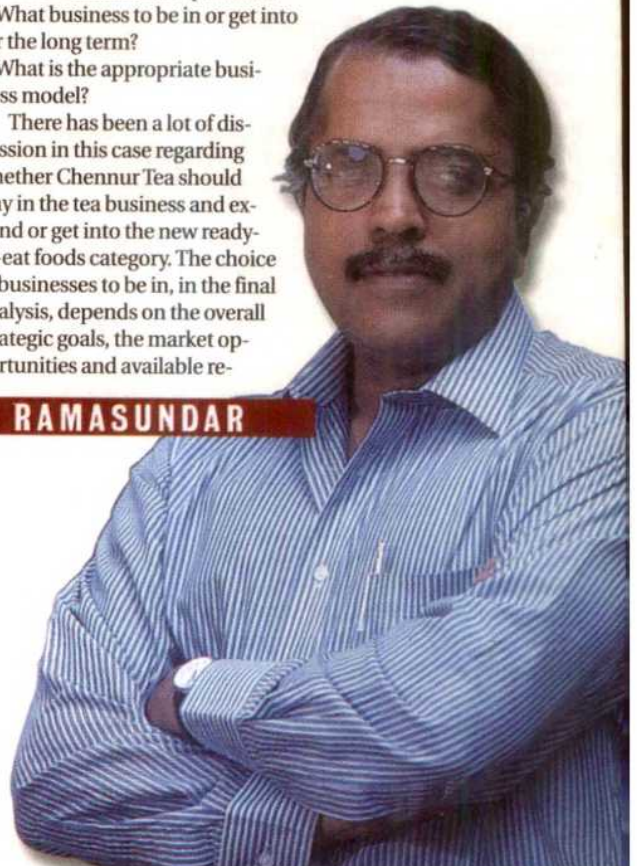
Case 3: Of Growth Pangs And Plans

This interesting case, while raising several pertinent issues, deals with two fundamental questions:

- What business to be in or get into for the long term?
- What is the appropriate business model?

There has been a lot of discussion in this case regarding whether Chennur Tea should stay in the tea business and expand or get into the new ready-to-eat foods category. The choice of businesses to be in, in the final analysis, depends on the overall strategic goals, the market opportunities and available re-

RAM S. RAMASUNDAR



sources. While the multinational companies with their deep pockets, can afford to seed a new business for the long term, it may not be possible for everyone because creating a category and/or a brand is indeed an expensive proposition. The choice of business, in any case, will depend on the opportunity identified through an understanding of consumer insights and identified need gaps — but equally, on the ability of an organisation to commit appropriate resources as well. The financial strength and organisational abilities of a Kellogg's or a Reebok to develop a new category and wait for results (as a result of their deep knowledge and experience of years) is quite different from the capability of a Metro shoes!

Therefore, sticking with one's core competencies or getting into a new business is a decision predicated on a whole lot of complex factors. The choice of business model and legal structures would ultimately follow as a consequence, once the basic business decision is made.

Case 4: Aiming For The 'Aha' Effect

This case basically addresses the classic dilemma facing most marketers and businessmen in India, i.e., do I address the premium or high-end segment of the market or do I address the bottom 75% of the consumer pyramid?

This indeed is a very vexing issue because while one can always justify a niche premium segment, the growth will only come from the huge base of the pyramid. The real question the organisation needs to ask in such cases is — am I looking at the attractive market today or am I looking at the market as growth driver for the future? We must recognise that India is still very much a poor country predominantly full of poor people and if anyone is looking at a growth opportunity, it can only come from creating products to serve those mass of people at the base of the pyramid. Given the low penetration levels in virtually every product category, the Indian consumer needs basic products at a good price and good quality. For instance, what is the point in launching a 300 litre frost-free refrigerator with multi-flow system to an ordinary Indian consumer? It doesn't make any sense, whereas most people would need a basic, simple and effective cooling device. P&G might have followed a niche strategy in India as opposed to HLL's mass strategy, but in the long run, P&G will continue to remain small because of its strategic choice. This strategic choice depends on the ambitions, risk appetite and financial expectations of the individual organisations, but any serious player with long-term ambitions in India cannot afford to ignore the middle and bottom of the pyramid.

Case 5: Chasing The Expat's Shadow

Lexicon's nightmarish joint venture partnership with Nimbus and the consequent issues raise several interesting posers. Based on the experience over the last few years, most multinational companies want to make a guarded entry into a country like India till they have found their bearings in the Indian marketplace, because in quite a few cases, their visions and plans for India went awry and were possibly ahead of time. Equally the types of issues and friction Lexicon had with Nimbus is not uncommon, because in most such joint venture partnerships, there is a mismatch of perspectives and, surely, a marriage between unequal partners will never work. The question is not so much setting up your manufacturing plant or the import arrangements, but the question is — what is the appropriate business model and business strategy for Lexicon?

Going by history and my own personal experiences, I would dare say that Lexicon's parents have been wise in not committing to setting up manufacturing infrastructure till such time that a critical mass of volumes is achieved — as it is easy to create overheads

but is quite expensive to dismantle it. In all such cases, it is always safe to test the waters, before committing a deeper presence.

Case 6: Change—To Be Or Not To Be

The question here is: Is the Rs 17-crore investment by Mebrisk India on its systems revamp a completely futile exercise? The answer ought to be an emphatic 'NO'. Going through the case, prior to the systems revamp, utter chaos seems to have been prevailing in Mebrisk — be it production versus sales conflicts, net sales versus forecasted sales, inventory pileup, lack of production discipline, etcetra, etcetra. In today's world where efficiency is the watchword, nobody can afford such luxuries. If nothing else, this systems initiative brought a sense of discipline in the operating and planning cycle of Mebrisk. Elsewhere in this commentary, I talked about the power of communication and information as an important business tool, but unfortunately even today, most organisations consider IT investments low priority in a relative sense. In today's dynamic market environment, no organisation can hope to survive, let alone win, without fully leveraging the power of the Net. Obviously, any systems initiative meets with resistance and this is where the role of change management comes in. Systems, if properly implemented and complied with as a matter of discipline, would lead to understanding and get internalised. But the key to any such exercise is flexibility, meaning the system should not drive the business, rather it should facilitate the business.

Case 7: Thinking Small, Sinking Fast

This case study raises a basic question whether Indian service firms can stand alone as independent entities in the present environment, or should they take in a foreign partner? The real issue is not one of Indian ownership or foreign partnership but one of what is the distinctive business and value proposition one is bringing to the table as a consulting firm.

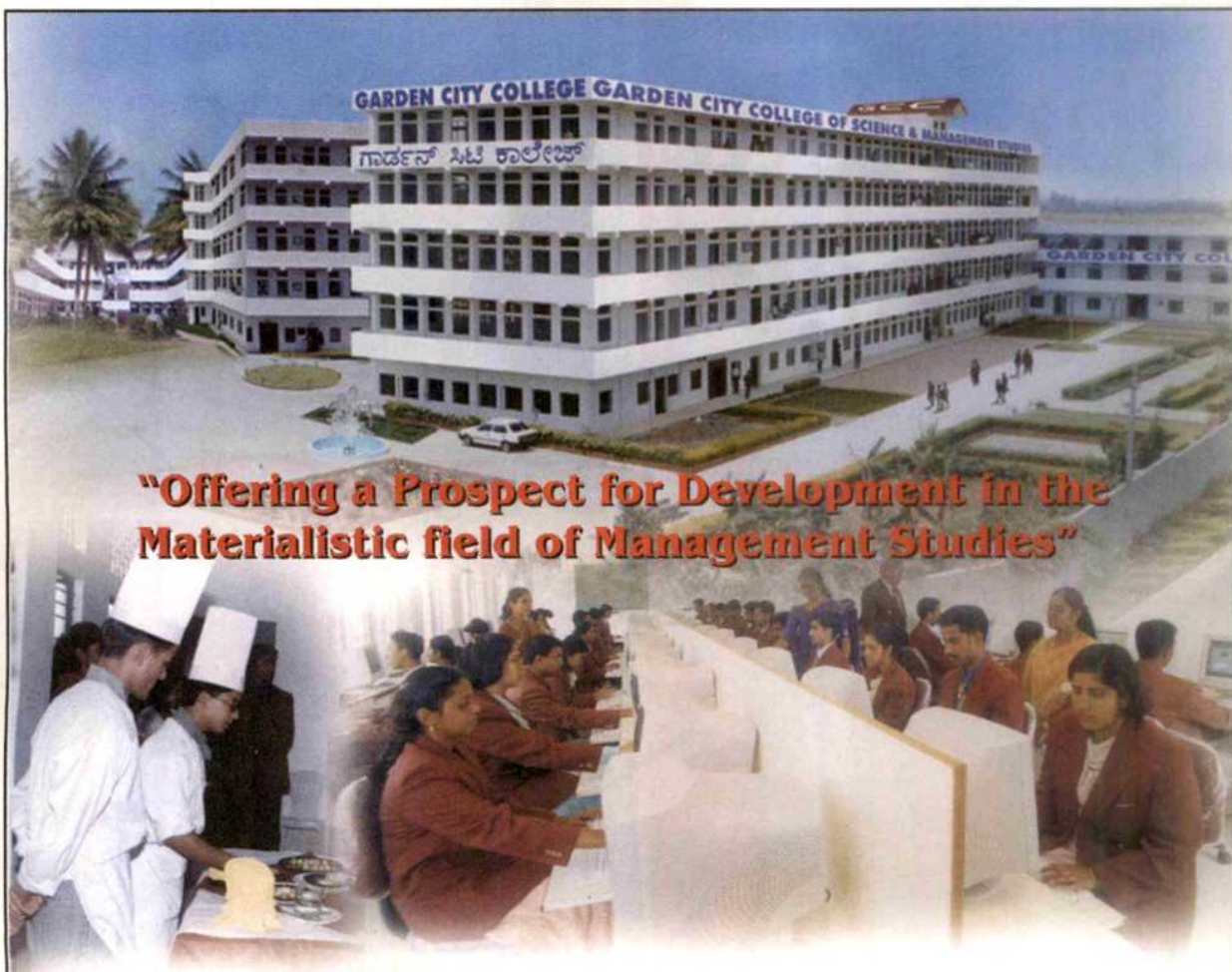
While it is true that many Indian companies and firms have a nickel and dime approach, that is not necessarily an argument for building a huge palace far ahead of time. Joint venture arrangements with foreign partnerships do not necessarily guarantee success — yes, they do bring in knowledge, skills, training etc., but however these skills can always be sourced and tied up equally effectively without a financial partnership.

We are truly living in an era of constant change where successful and agile organisations will be those, which effectively manage relationships (with every stakeholder), which implement mass customisation and have efficient systems for knowledge management (including innovation).

On 11 February, 155 years ago, the father of electricity was born. Among his 100 patents, he invented the battery and the light bulb. He was Thomas Edison. At the core of Edison's philosophy was innovation but what few people know is that he was deaf. What was it that made him so successful? Basically he followed three simple rules. First, he said — know what you want to achieve. Second, be persistent in making these goals come true, despite the challenges or disappointment. Third, he said — refuse conventional wisdom.

Most organisations would do well to imbibe these values of Thomas Edison. The name of the game is differentiation and understanding the consumer — the trick is what will work?

Value Creation Model: An interesting story comes to my mind. Every morning, in Africa, a gazelle wakes up. He knows he must run faster than the fastest of lions, lest he will be killed. Every morning a lion wakes up. He knows he must out-run the slowest gazelle, lest he will starve to death. It doesn't matter whether you are a gazelle or a lion — when the sun rises, you better be running. Is corporate world in the 21st Century any different?



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Don't Carry Excess Baggage

When Megalin India acquired Neocooler, it also took on 15 members of the old sales team. But that led to the perpetuation of certain questionable practices

This case study was first published in BW, 20 December 1999

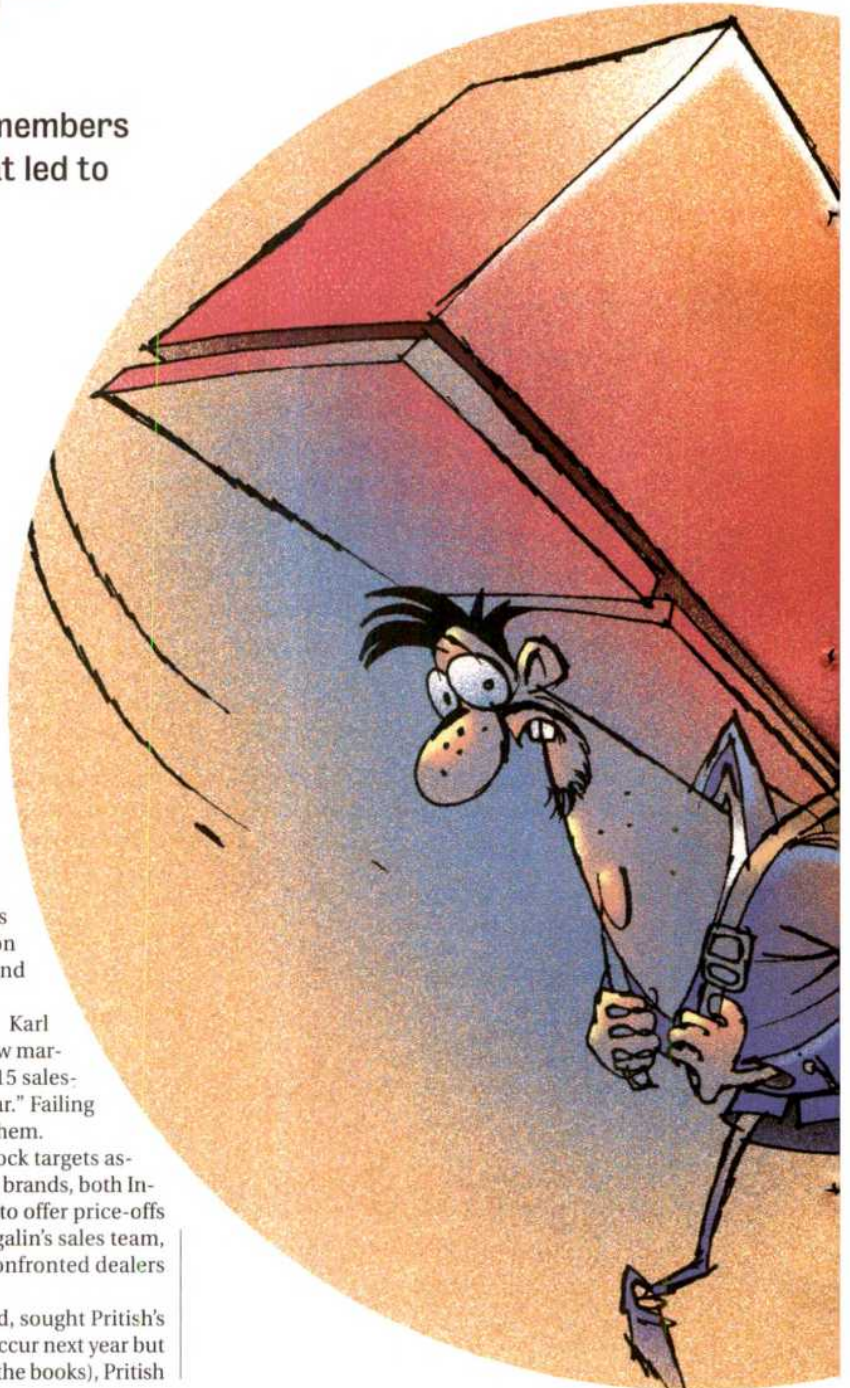
■ MEERA SETH

PRITISH Guha looked at the dealer report before him. Fourteen dealers across Delhi and UP were uniquely demanding identical 'conveniences' from Megalin. "Bill us by all means, but we won't take delivery." Pritish was the sales director of Megalin India, manufacturers of an international brand of refrigerators. Early in the year, Megalin was offered the plants of Neocooler India, which was closing its refrigeration division, on condition that Megalin also take on the division's sales and technical staff.

While Megalin's then country manager, Karl Fitzgerald, did see that as advantageous in a new market, he had said: "At this stage we will take on 15 salesmen and the remaining 35 at the end of the year." Failing which, Megalin was to bear the cost of retiring them.

As the year-end approached, the rush to clock targets assumed a frenzy in a market where innumerable brands, both Indian and foreign, were vying with one another to offer price-offs and free gifts. It was in such a market that Megalin's sales team, which now included the 15 Neocooler men, confronted dealers who would not take physical delivery.

When Debu Moitra, a senior area sales head, sought Pritish's consent to book 'forward sales' (sales that will occur next year but the credit for which would be taken this year in the books), Pritish



winned. "I don't see what is wrong," said Debu. "At Neocooler we periodically accommodated our dealers. We must understand. The dealer doesn't have the warehouse space to keep products; but for sales tax and excise reasons, you've to move the stocks out of the company godown. All we need to do is hire another godown, where the billed stocks can be held."

Pritish wouldn't hear of it. "That is downright illegal!" he said. "Besides, Megalin's worldwide code of ethics does not permit or recognise such sales!"

Debu, an erstwhile Neocooler salesman, had gone back to one of his dealers, and regretted his inability to 'accommodate' him. An annoyed Vashiram Gupta of Careware Appliances

had said: "Then go and tell your foreign bosses this is India, *yahan aisa hi hota hai!*" Now Debu was considered top-drawer material, ever since he had managed to push a lot of Megalin products into the market within six months of his move from Neocooler.

He had homed in on all the Neocooler dealers and convinced them to add the Megalin product to their stocks. To Guptaji, for instance, he said: "For all these years you bought Neocooler from me, now I am bringing to you Megalin, you must take some. After all, we have a 15-year relationship...."

And with some more persuasion, many dealers like Guptaji had consented. What Debu achieved in the North soon became a template for his colleagues in other zones, and soon Megalin joined the clutter.

While the initial offtake had been heartening, the new rot caused by the unusual demand was spreading. A desperate Pritish decided it was time to speak with Megalin's new managing director, Vasudev Datta. "Sales achieved thus are not sustainable," advised Datta. "It is too early to pursue numbers, Pritish, when we haven't yet sold the brand!"

Pritish was nonplussed. "Every season lost is shares lost," he



Dealers wanted to book 'forward sales' at the year end. But Megalin's code of ethics wouldn't allow it

said. "Have you seen how LG, Samsung and Electrolux are working the markets? They are everywhere!"

"Megalín is so different that no existing rule book will apply to it," said Vasudev. "There is a difference between 'then' and 'now', between Neocooler and Megalin. When we bring a world-class brand like Megalin to India, we are bringing to the table a change in manufacturing processes, features that deliver a lot more value. When we created Megalin abroad, to sell those new features and concepts, we followed it up with an integrated change in the marketing approach. We have now entered India, not to compete with existing brands but to launch a revolution in refrigeration. The core value of Megalin is vastly different from that of Neocooler or any other refrigerator. And this is what most new entrants forget."

"When they come to India they are in a 'quick-win' situation. A distribution system is difficult to set up in India, so the best thing to do is poach, borrow or steal manpower from Videocon or Godrej... They get short-term quick results. Thus, if the core mission of Godrej was building relationships with dealers, the strengths of its sales force will be related to the strength of the dealer relationships. When you get that sales force over, you get very good dealer relationships. But your core value, which you are trying to transfer, is subsumed in the process, because the guy who has been hired thinks he has been hired for the same value and he has to prove it."

"Why do you say he was hired for relationship-building?" asked Pritish.

"Wasn't he, when your thrust on entering the new market was to get early-mover advantage, hire people who know the local markets, understand local networks?" asked Vasudev. "Knowing that relationship-building takes time, what that sales force lands up doing is nurturing the same old relationships with an intent to transfer to them a share of the new brand dealership!"

"What is wrong with that?" asked Pritish who felt Megalin needed all those and many more relationships. "Can't you see that the only value he is thus taking to the dealer is that relationship and in the process limiting your market share? So Debu of Neocooler plays his relationship card and gets all his old dealers to stock Megalin also. But you, Megalin, are trying to enter the doors of dealers and consumers with a different core value. Say, freshness of food thanks to a new technical feature. At the distribution point, from the company to the dealer, that core value or message is not getting communicated, because it is still a relationship issue! Do you see my point?" asked Vasudev. "And that is why my advice from day one has been, desist from taking on the Neocooler sales team. We don't need it."

BUT we already have on board 15 of them," said Pritish. "Then cut your losses Pritish," said Vasudev, "or the rot will be unmitigable. The salesman is the conduit to the dealer and the end consumer. That is the point at which you must seek to transfer the new core value to the consumer. Please note, Guptaji has taken 10 pieces of Megalin not because he has seen value in a new product feature but because he knows Debu of Neocooler and has known him for 15 years. In the process you are creating a whole wedge in the sales process. Instead, if you had a sales man with a fresh mind who went and sold on the new value platform, it may take some more time to

get that dealership, but you have a greater chance that if and when he does take your brand he would have done so for the right reasons, consistent with your brand positioning. And he might even take 40% and not just 15%."

All that the Neocooler salesmen have managed to do is replicate the Neocooler market share, felt Vasudev. "Nobody knows what value Megalin has brought to refrigeration. You believe you have increased sales by 4% since the new team has come in, but understand, the incremental value you have sold is essentially cosmetic features like the quality of the paint, the design of the doors, etc., but not the core value — increased freshness. That new value is not being talked about in the sales process. Nor is it being perceived by the dealers. That core value cannot be transferred to a salesman hired from Neocooler. That's the bottomline!" said Vasudev.

RELATIONSHIPS were critical to brand building, Vasudev felt. "But the initial dent that you made in the market isn't born out of the value that your fridge keeps food fresher than the others, but because Debu knew Guptaaji very well and also a host of Sharmajis and Varmajis and he managed to make 15% wedges everywhere," he said.

"So what you have got is fundamental trials at the dealer level. A Gupta stocking 15% of Megalin refrigerators is not going to convert into your entering the ultimate consumer's home. Gupta will no doubt move and push his stocks, be it Videocon or LG or Megalin with the same spirit, because to him, all refrigerators are simply that — stocks. Look at what he does — when he pushes a Megalin, he does not say: 'This one will keep your food fresher.' He will say: 'Modern hai, badiya hai, achcha company hai, no complaints received so far, achcha chal raha hai...' all very nebulous statements. For, realise that if he says this is the only fridge that keeps food fresh, he can't sell his Godrej.

"The real transaction occurs at the retail level, where the knowledge is transmitted — there my frontline sales force has got to have a new attitude and new focus. Instead, it is hired for its old experience! That is the mismatch," said Vasudev.

Pritish wouldn't agree. "Debu has really worked very hard on the market. Making a dent on such a highly volatile market is not easy."

"And what card did he play?" asked Vasudev. "Did Gupta buy Megalin because he saw just the fridge his customers were looking for? Or did Debu even sell him the Megalin core value? Does Debu himself believe that Megalin is vastly superior and different from Neocooler? Debu 'sold' Gupta Neocooler but physically delivered Megalin!

"Naturally, Guptaaji insists that Debu make such a deal possible for him on the new brand also. 'Bill by all means, but I won't

take delivery.' Understand, at Neocooler, part of the basis of the relationship, of that network, has been managing this."

And it was there to see. In areas where the sales team was new, such a practice did not take shape, as there was no historic relationship that dictated the new market dealings, felt Vasudev.

Simultaneously, the areas managed by the ex-Neocooler team were faced with the same problem. "They are perpetuating a bad practice born out of nurturing relationships. The brand will not benefit. It will be bought for a fundamental administrative convenience," said Vasudev.

In the durables market, he felt, apart from advertising, the core values of a new brand could be transmitted to the ultimate consumer only through the dealer. "Unless and until I have converted the dealer, I have not converted the consumer," said Vasudev. "If at this stage you have a dealer like Guptaaji who is stuck in the doorway because of his old malpractice, there is no chance that he is going to imbibe the new core values and transmit them to the consumer."

Vasudev said he was talking out of experience. Before he took over the reins at Megalin, he was the director (marketing and operations) at Belmont Cosmetics, a global Indian cosmetic company. "What I learnt is that when you are trying to build a new marketing network, you must first assess how much experience to buy into the system and how much newness," he said.

"Wait a minute!" said Pritish. "If you do not buy experience, where are you going to get your sales staff from? You certainly cannot hire new new!"

"Why not?" asked Vasudev. "How much time does it really take to put the new staff through the mill, to build the experience? Three months on the outside!"

"And where will real market knowledge come from?" asked Pritish. "You are a foreign brand, you have little knowledge of the complexity of Indian markets. Entering with an all-new team is akin to a blind man looking for a black cat in a dark room!"

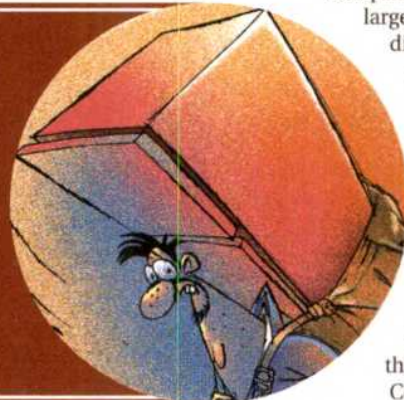
"And in all probability," continued Vasudev, "there is no black cat! Or, a black cat is not what you should be looking for in the first place! Instead, you go ahead and put in place a strategy for something that you don't need! And that is exactly what happened at Belmont," he said.

As it happened, Belmont's core value and mission was total solutions-driven skincare engineered through a prescription-based selling approach. Thus you went to a Belmont skin adviser at its shop-in-shop counter and she recommended a range of its products for your problem. That was how the brand took off in India initially, making it a Rs 20-crore brand.

Now, having created a positioning based on the prescription method, the brand wanted to triple its sales. That is how the company hired 15 salesmen from Lyla Cosmetics, a large skincare company. Now what these new men did was to examine their old company's network of 5,000 outlets and 10 distributors, whom they hired immediately, thereby replicating Lyla's template.

"When I examined the distribution network of Belmont," said Vasudev, "I found that these distributors also carried Lyla's skin range and were selling Belmont the same way as they sold Lyla!" As against Belmont's prescription selling, Lyla was mass retailing. Thus, in the Lyla model, the retailer would stock six of Lyla's products and the consumer would buy, say, just the age defier. Consequently, when the new sales force took

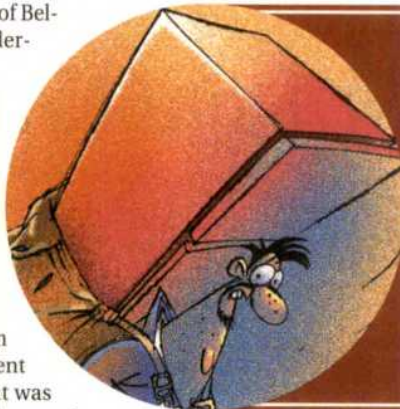
Megalin's initial dent in the market wasn't born out of the core value — of keeping food fresher than others. It was due to the salesman's relationship with the dealers



over, it would go to a retailer and sell him six of Belmont's products. "They simply did not understand total care," said Vasudev.

He continued: "They did not even appreciate that a fundamental retailer who also stocked Sil Jams and Grihani Imli did not have the time or the inclination to do prescription selling. When Belmont's sales fell, the sales force threw up its hands and said: 'At Lyla we had the support of a Rs 7-crore advertising spend. You do not have such support, we cannot perform.'"

So, borrowing the sales force resulted in selling the values of mass availability that went with Lyla — through the relationship. "That was the focus of the sales force," said Vasudev. "They made a basic error in assuming that to grow, Belmont needed the experience of the brand leader, so they imported its sales force!"



While buying experience at the frontline, a company must evaluate the kind of experience it is buying — is it really necessary and what baggage comes with it?

INSTEAD of refreshing the retailer's approach and converting him to the prescription model, the dealer himself got mesmerised and continued to buy into the *a la carte* selling method. That rot spread as the consumer, instead of getting a complete solution, a prescription, was left to decide which of Belmont's products to buy. Not realising that what she needed was a range of products for her ailment, she bought a single product which did not do for her what she had expected of Belmont. Disillusion was rampant naturally. In some cases, where the consumer was aware that Belmont worked as a range, she found the retailer was not offering her a prescription and she thus stopped buying at that retailer. Thus, many retailers found themselves carrying excess stocks; stocks aged, and the rare consumer who did buy it wrote to Belmont saying it didn't work and gradually, the equity and faith that had been built up over five years was demolished.

And all because there was this rush to import Lyla's experience into Belmont, said Vasudev. "That was at the heart of the problem," he said. "Belmont wanted an early-mover advantage, but in the process, the core values of Belmont, which were critical to the brand's growth, got decimated and distorted. The initial sales pick-up blurred its vision and the team did not even see the ripple effect it was creating."

While buying experience at the frontline, said Vasudev, a company must evaluate the kind of experience it is buying — is it really necessary and what baggage comes with such experience? "It's not what I am getting from Lyla, but also what else I am getting which I'd rather not have," said Vasudev. "That is often a detriment to achievement."

Pritish was deep in thought. He needed to have the remaining Neocooler team in a month, since a lot had to be done. Maybe they could retrain the old boys, he suggested to Vasudev.

"Whatever training or retraining you might do, it is not possible to unlearn what you have come with, because these men have grown up there," said Vasudev.

He continued: "And it is not whether you spent three years in P&G and four years in Godrej or 10 years in Colgate. You have simply spent 10 years in an era, in an industry which has been brought up on a different approach and attitude to the market. That very same company will find it far easier to re-adapt its existing sales force to new market demands, but you can't pick up that sales force and expect it to unlearn the old and learn an altogether different approach in a new company."

"Even if I try to change them, the dealer will not accept the

change unless he has been invested with the need for change," said Vasudev. "For instance, whatever change-based training you gave Debu was pointless since he was reaching out to the old relationships — Guptaaji, to whom he did not sell the new brand value."

If today Megalin was facing a rebellious dealer community it was because it had bought the Neocooler team's baggage of previous experience and learning, felt Vasudev. "What happens then is that you remain consistent with the old practices. No one thinks differently, no one buys into the new core values. In effect, you end up cloning your ex-brand. Then you are faced with cultural differences, which is nothing but dissonance born out of neglecting the core value, and you are spending lakhs putting together an integration exercise to marry the old with the new, sorting out meaningless battles which are in no way germane to your new product or value," said Vasudev.

"So you go about adapting, adjusting,... all along thinking these are cultural issues, FMC (family-managed company) versus MNC, American versus Indian.... Whereas, it is simply new product or value versus the old — the experience you have bought and the baggage that came with it, the assets you bought and the liabilities that came with it. So, is it better to invest in training to build the assets or do I train them to unlearn the liabilities?"

"The new entrants today are not seeking to gain market-shares," went on Vasudev. "They are here to grow and expand the market. You think an Amway wants a share of P&G? These new entrants are not looking to eat into existing shares. They know that today in India, marketshares are not won by fighting brand wars, but by expanding markets."

"The LGs and Samsungs and Daewoos are not seeking to nibble at the existing 3 million units of refrigerators being sold by the competition. Instead, they are seeking to build another 3 million users who will be theirs. So, since we are in the market to double its existing size, why are we buying the old experience?"

"We have to create the new feeling, the new experience! And don't forget, we are also trying to create in the ultimate consumer a new feeling, a new attitude, a new desire for our product. In advertising I bring in a fresh approach; in production processes, a new approach. But when it comes to that bridge between the retail point and the sales force, which is so critical to my consumer relationship-building, I am happy with the old experience and the old attitude. That doesn't make sense! So the people who are your change agents, your sales force, can't be people with old baggage!"

"What do we do?" asked Pritish.

"It's clear, isn't it? Pay off the Neocooler men, hire afresh, train afresh,... Launch your core value clearly into the market," said Vasudev Datta.

ANALYSIS I: SUNDER HEMRAJANI

Learn To Manage Change

Sunder Hemrajani is director (north and east market unit), PepsiCo India Holdings. He's worked at Hindustan Lever and Whirlpool of India.



CURINDER OSAN

THE dilemma faced by most sales managers, especially on the eve of year closing, is almost pathetic. The phenomenon of reporting sales which have actually not taken place — that is, where the invoice has been raised but the goods not dispatched/ delivered to the customer — is called by various names: bill and hold, billed but not dispatched or simply, forward sales. Such practices are nurtured by relationships that stretch the ethical boundaries of corporations.

When relationships lead to unethical practices, firms have to watch out as these normally vitiate the culture and lead to an overall erosion in values.

The fundamental issue Vasudev and Pritish are discussing is not only relationships, but also managing change in a dynamic environment. We live in an era of fast-paced changes. Companies have to learn to manage change. Failure to do so can lead to catastrophic consequences. Where are the firms which led the colour TV industry segment in the early 80s? They went out of business because of their inability to recognise and manage change. The environment in any industry can change rapidly. Change can manifest itself as:

- A slowdown in industry growth
- Over-capacity: downward pressure on prices
- Change in technology, producing, marketing, selling and distribution methods
- A drop in industry profitability
- Mergers and buyouts
- A sudden increase in competitive activity

The fundamental issue is not just relationships; failure to cope with a dynamic environment can lead to catastrophe.

In India, the protectionist economy of the 80s transited into the competitive era of the 90s. The country moved from the Licence Raj to liberalisation and from shortages to plenty. In the refrigerator industry, in the mid-90s, capacities got built ahead of the curve. Combined with recessionary conditions, this forced companies to rethink their strategies. Mergers and buyouts became common. In a category such as refrigerators where, traditionally, companies differentiated their brand based on the

quantum and efficacy of cooling, Megalin tried to differentiate the brand on the core value of freshness.

The winds of change did not leave the trade unaffected. Most progressive companies consider dealers to be important stakeholders along with consumers, employees, shareholders and suppliers. Yet, how many companies would invest or put in the effort to get the dealers on board and prepare them to face the challenges of the competitive market place? The belief that dealers do not want to change is a myth. How can we forget increased competition? Guptaji, too, has competition. No retailer wants to lose a customer to another retailer. In the era of multi-brand outlets, understanding customer needs and communicating key brand differentiators can determine the fate of a sales pitch.

Vasudev is right about the importance of the dealer in the selling process. While Megalin can communicate the core value of

tionships are built over a period of time and have to be continuously nurtured, especially in a competitive environment with new players in the market. On the contrary, relationships can be positively leveraged to break the barriers to change and facilitate the brand-building process. Barriers can be overcome through a well-thought-out training and communication process. Such a programme within the company will not only help align Debu Moitra and his former Neocooler team with Vasudev's vision but would also facilitate their integration into Megalin's culture.

The 'new' members could act as catalysts to change. Laggards, if any, can be separately dealt with. A dealer-training module is a natural extension of this philosophy. In the interim, Megalin could deploy company-trained sales promoters in critical outlets to facilitate the process of change. The Guptajis, Varmajis and Sharmajis will need no convincing once the new method-

The fundamental issue that Vasudev and Pritish are discussing is not just relationships, but also managing change. Failure to cope with a dynamic environment can lead to catastrophe

the brand (freshness) through advertising, it needs an endorsement from the dealer to clinch the sale. Advertising gets the brand into the consideration set of the consumer, but the final verdict is delivered in-store. Rapid changes can throw any company off balance. For the team from Neocooler, working for a new company Megalin would represent a major change. Obviously, the integration has not been managed well. At the outset, during the integration process, it is important to break the barriers built by lack of perspective, fixed mindsets, personal egos and, more importantly, an inability to understand the significance of the changes in the operating environment. Managing integration is a challenge for any company.

It would not be advisable for Megalin to cast away the former Neocooler team. Rela-

ology is successfully demonstrated in their store. The process would need to address the requirement beyond integration as change is continuous. Megalin will need to constantly update skills and build competencies in the team in order to continuously improve the level of execution in the ever-changing market place.

Visions seen only by leaders are insufficient to create an organised movement or significant change in the company. Vasudev and Pritish need to inspire the team and enlist it in their vision for Megalin. Teamwork and collaboration are absolutely critical for the successful execution of the vision. Managing this process is a leadership challenge for Vasudev and Pritish. They need to own it and drive it within the organisation.



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ANALYSIS II: JESWANT NAIR

Selecting The Right Strategy

Jeswant Nair is CEO (sales) at Marico Industries.



SANJIT KUNDU

STRATEGY must drive structure and staffing. Or conversely, structure and staffing must support strategy. In the case of Megalin, there seems to be a clear strategy as articulated by Vasudev Datta, the present managing director. However, one can debate whether the strategy is the right one given the context in which Megalin finds itself.

Refrigerators have penetrated around 8.4% of the total Indian households, as opposed to TV, which has achieved a 31.2% penetration (*Indian Readership Survey 1998*). To that extent, Vasudev Datta is right in arguing for market expansion. The key issue facing Megalin is whether the strategy outlined by Vasudev Datta is being executed as desired. If not, what part of Megalin's actions have contradicted the strategy? And what should Megalin do to rectify it? The strategy of the former managing director in acquiring the plant capacities of Neocooler does not seem to be in sync with that being espoused now by Vasudev Datta.

It would appear that Datta inherited what the former managing director had begun to put in place. Both Pritish Guha and Debu Moitra seem to be in some dissonance with Datta's point of view and more aligned with the strategy outlined by the former managing director. The next issue to consider is whether the dealer network for refrigerators and other appliances is passionate about product quality features (real or cosmetic) as a prime driver for pushing a brand. By and large, dealers are more interested in comparable product quality at a competitive price that will drive product volumes and that need minimal after-sales service. Once these needs are reasonably satisfied, dealers are more interested in margins, followed by quality of service and marketing support rendered by manufacturers. All of the above being more or less equal, dealers would not like to recommend or push one brand over another.

The mere existence of superior product quality, excluding all else, isn't a sure recipe for volumes.

They would rather leave this aspect to advertising for generating customer demand and enquiries. Even if they tend to push a brand over another, it would be for

considerations other than product features and quality. This reality seems to be lost on Datta, even as Guha and Moitra seem to emphasise these in different ways. Datta's strategy of growing market share and volumes, through detailing of the superior product features via the Megalin sales force rather than the trodden path of dealer 'push' and relationship management, begs support in terms of staffing and structure. Strategy, structure and staffing must be seen as a cohesive whole. Datta has extensively argued about the weakness in staffing that will jeopardise strategy. He has, however, not looked at the distribution model that is likely to deliver strategy. Datta quotes the case of Amway "...marketshares are not had by fighting brand wars, but by expanding markets." What he fails to mention, however, is that in order to do this, Amway has a completely different model of delivery system, structure and staffing.

A traditional dealer network, fed on relationships and margins, is hardly going to

nored. Datta appears to take an either/or view on the quality of staffing. He seems to be entrenched in his belief that product superiority can far outweigh a tradition built on years and years of relationship management. Relationship management must be the foundation on which the product superiority story must be told. The sales force of Megalin, whether from Neocooler or elsewhere, should be trained both in its conviction and in its capability to demonstrate product superiority, and this should also be transmitted at the point-of-sale through appropriate demonstration. But all this can happen only if the customer is favourably disposed to the brand, which advertising needs to deliver. Datta seems to paint all the Neocooler sales people as having been brain-washed in the old paradigm of only relationship management.

This may only be partially true. Firstly, there would be people who are re-trainable and who might be looking for a challenge to sell products qualitatively. Guha and Moitra

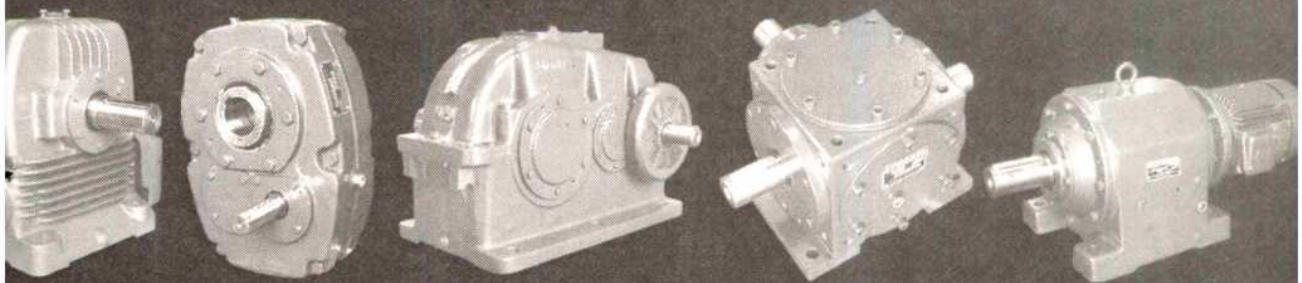
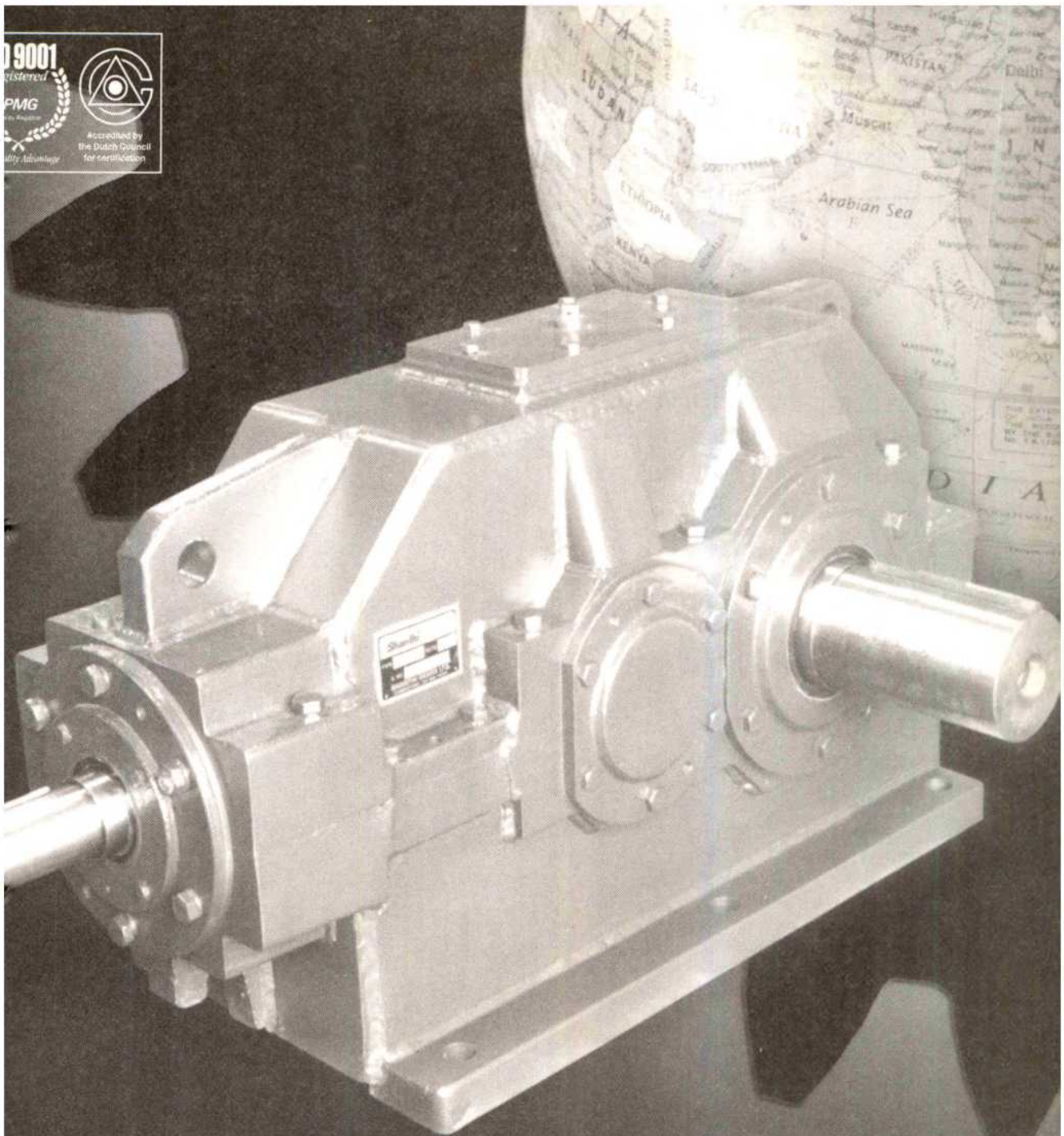
The mere existence of superior product quality, excluding all else, is not a sure recipe for volumes or a guarantee of dealer interest. Relationships do matter, and can't be ignored

change behaviour only because there is a different story being told by the Megalin sales people. Advertising has a major role in generating customer demand and enquiries which, when supported adequately at the point-of-sale, completes the buying decision. Only a part of the point-of-sale effort is the role of the dealer. Apart from inducements and incentives that will motivate him to push Megalin, he must also not be short on conviction.

To that extent, the role of the sales force in demonstrating product superiority and capability becomes paramount. The mere existence of superior product quality to the exclusion of all else is, however, not a sure recipe for volumes or a guarantee of extra dealer interest.

Relationships do matter and can't be ig-

must, therefore, strongly advocate a process of selecting amongst the 50 and build a team with a blend of the 'old' and the 'new'. They must then embark on a process of re-training and training followed by market audits of whether that which is trained is transmitted. Dispensing with the Neocooler team may well be a case of throwing the baby out with the bath water. Datta must factor in the cost and time involved in paying off the Neocooler employees and hiring and training afresh. Finally, there is an issue of ethics where, one way or another, 'artificial' sales are created in order to report 'healthy' sales volumes and growths. Megalin's clearly articulated code of ethics is right and Datta's position of 'clean' sales is a clear and unequivocal message that must bear out in practice.



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Different Styles And Strokes

How can two companies with vastly different management styles be equally successful? One is transparent, the other secretive

This case study was first published in BW, 24 September 2001

■ MEERA SETH

WHEN you are leaving a company after 15 years, there is that dull anxiety within you: "Hope you're doing the right thing!" I was leaving Belfora after 17 years to take up a senior job at Ellbonne — going from one successful company to another successful global firm. I had very little idea about how any other company was to work with, since I had worked only at Belfora throughout my career. At 41, a change like this is normal, yet not as easy as at 30.

The consistent advice I got was: "Be very flexible, Shabad! Consciously unlearn what you have learnt until now, be alert and prepared, and accept what you are about to learn. Because both have vastly different management styles, yet both have delivered success ... and watch what is different."

I asked Punch, my immediate boss at Ell, the difference between Belfora and Ellbonne. His reply threw me off: "Ellbonne is not Belfora; it is the most chaotic place to work in; Ell is the most matrixed of organisations. Simply, Shabad, forget that you once were a Belfora man!" I could not imagine how there could be a style any different from Belfora, yet successful.

On day one, I was told, "We are a very value-driven company." So was Belfora, I thought. So, what is special about Ell being value-



driven? Anyway, as the days went by, I noticed that at every stage, each employee was bound, committed to and driven by the holy commandments of the organisation — and the values, which I had heard so much about, but I thought were simply part of an organisational credo or facade. What I saw was surreal. Every act, every note, every email and every decision was driven and energised by what Ell stood for — its values. Now that does sound very esoteric, but read on...

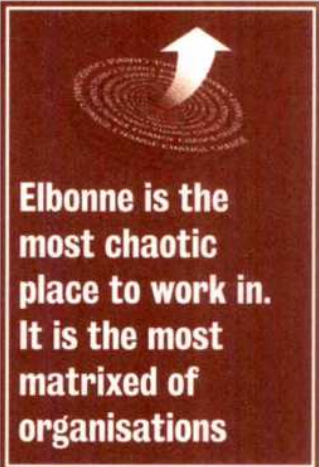
Every deliverable was measured against the objective and whether it was linked to the values. And if it was, were the functions you did in the process value-driven? If not, the processes did not justify what you had achieved: so could we please start again? This

mantra, I found, hummed constantly in the background, enveloping every thought, word and deed.

For example, the abundance of sharing and giving — across all levels. In fact, that was one of the first things that hit me. Ell was without boundaries. Which meant nothing was confidential or secret. What completely swept me off was finding a shared drive (which we call 'Jogger's Park') on my computer, in which the presentation that our country head was going to make to the worldwide CEO was there for me and my minions to read and know! "This is the pitch I am making, this is what I am telling him; have a look," signed off Punch!

At Belfora, I didn't even get to see the annual results; I usually read it in the papers. Why, when I was sales head of a business unit, my business head never told us what the profits were, what new targets were being planned, or what negotiations he was making. It was all by instruction, not interaction.

When I think back, this is one thing I missed at Belfora, this whole attitude to sharing. While we were a unified family, it now appears to me in hindsight, that we were not united in the sense of all for one, one for all. So if I came upon something spectacular, I kept it, using it only to further my growth, my development. Information was never shared; yet, everyone was driven! Driven by what, I wonder. We were 12 business units and such a lot was common to us. While we did care about how the company performed and was



Elbonne is the most chaotic place to work in. It is the most matrixed of organisations

perceived, it was not driven by our individual contributions. Yes, there were secrets and lobbies, confidences and intrigues.

An example. During my management training at Belfora, I was put through six months in costing and systems. Consequently, I knew what raw materials went into a given product, the cost of every raw material, and where to look for the costs. Later, when I became sales head of a product, Kripps, I was told: "This is the cost of manufacture, this is the cost of sales, and we are making a 20% margin. So, this is the selling price, go sell at this price!" I challenged it. Let me check, I said, and see if the numbers are correct, because if the costs are lower, then the margins are clearly higher and that will mean I will not be able to compete in the market.

I discovered there was a huge difference between what was listed on the product cost sheet and what was stated on the bill of material. I called up the SBU accountant, told him my finding, and asked him to reduce the price. He was annoyed. "Why are you looking at the bill of material and who gave you access to it in the first place?" he said. "You are a sales person and you have no right to look at purchase orders." Soon after, he rebuked the factory manager for sharing such information with sales people. Before I knew, my commercial head called to ask, "What is the problem?" I explained. He heard me out patiently and said: "Just go and sell... and forget the costing. And while you are at it, you might like to channelise your energies to examining the inefficiencies in the distribution; there are scores of retail outlets where Kripps is not available. So pay attention to all that and leave costing to the appointed experts."

REALISED that this practice was common to many brands. That explained the question why, despite some strong brands, Belfora was being pushed around in the marketplace by lesser brands. Because it was taking the price up without market justification! Now, if values were key, if sharing was a way of life at Belfora, if transparency and openness were demanded, misconceptual management would have come up for a value audit, and the excesses perpetrated by a few who donned the mantle of 'bottomline saviours' would have been nipped in the bud.

But such doctoring was also affecting the market view of the sales force, which believed that our products were not as good as those of the competition, when, in fact, it was simply a function of our costing and hence pricing! And then to push the sales force and even condemn them for lethargy, inefficiency, slow movement... wasn't that misplaced? And then the bonuses and increments of these people were reduced, as a penalty for poor performance — the ripple effect can be best imagined: poor morale, poor performance and even poor personal lives! And here was Ell, where you just got onto Jogger's Park and accessed all data about the products. The difference between Belfora and Ell, which people had hinted at, was now slowly becoming apparent.

I recall an instance five years ago, when I was slated to move into a new business group. Since I had a choice of two jobs within Belfora, I decided to examine both. So, I went to the new business head and asked if he could show me the presentation he had made about the business' growth plan and prospects. His response was, "How can I show you a copy of my presentation?" And here was Punch, rolling out his pitch presentation like a Persian

carpet! Even so, I grew and thrived in the Belfora environment for years and believed it was a successful system.

The readiness to be open is also visible in its daily communication at Ell, which means there never is a situation where you have to do something without knowing why. At Belfora, people spoke to me, discussed my work, congratulated me, and ticked me off if things went wrong, but no one communicated with me. You could go to your boss and say, "I think the price of this product is overstated." He would reply, "Maybe, but you do your work ... leave costing to the experts ..." He would not, for instance, say, "Yes, we have a high price structure for the following reasons... let me explain what our strategy is ..."

WHEN I talk to younger managers today, they tell me that many firms of that era developed a mentality that suited their times. But when times move, companies need to move with the times. Many of these companies have been stuck in that era. Government protection has gone, but these companies have discovered methods and tactics that insure them from failure. They include being secretive and oblique.

Belfora went through a number of brand buyouts, yet not once did anyone talk to us about it. We would read speculative news in the papers and ask around. No one would speak or breathe a word. No corporate communication of any kind would come. That is stark in the face of the openness at Ell. For example, we are in the process of buying out Purple-Dyna. Everyone at Ell must have received at least two email updates a day. Everyone has the same access to information. Internally, we all know that there are government lobbies blocking out the deal, what questions they are asking, what counter offer we have made to complete the deal, and so on. Every third day, the chairman writes to keep everyone briefed.

Contrast this with Belfora. Even commercial executives were not aware that the firm was in the process of divesting a key brand. Having seen openness, I am amazed at the need for secrecy from 'family'. Take the objectives. At Belfora, let alone my boss's objectives, I was told mine quite late into the year. I cannot even imagine any of my Belfora bosses discussing their goals and objectives with me! At Ell, my floor is plastered with Punch's objectives, our Indian country head's objectives, our regional head's objectives, and our world chairman's objectives. This way we see each team's objectives, and in such a way that each sees how his contribution links up to total organisation goals! People are encouraged to see what their chairman is thinking; directionally this is what the Indian business is aiming for and we would like you to orient your work in that direction for the year.

At Belfora, there was no attempt to be transparent. If

anything, everything was so couched in inanities and obscurities that it confused, rather than communicated. Many senior managers would mention, "There are all kinds of buffers operating at various levels, so any goal they state can straightaway be discounted by 40%!" Why, on at least three occasions, my targets were changed downwards at the end of the year to manifest that my goals were achieved! Importantly, it showed that my boss had managed to deliver! Now, because no one at the top was transparent, the attitude percolated down. There was tremendous couching, hemming, hedging and distortions!

The mantra for us at Ell is, 'Values drive behaviour and behaviour drives results.' This makes a lot of sense, especially if one sees it in the context of Belfora. The values they seem to be perpetrating is 'goals at all costs'. The behaviour that this value perpetrates is a desperation to meet objectives with not-very-good commercial practices, leading to a desire to be non-transparent and, consequently, irrational demands not backed by reason or method. So, what result does this behaviour drive? Short-term gains, sub-optimal gains, poor long-term health. It is like managing a leaking faucet. If you start mopping the floor without first shutting it off, the problem is not going to go away.

At Belfora, everybody was encouraged to be a visionary. But, equally, I realise that there were few missionaries, few doers. In Ell there is one visionary and everyone else is a missionary. So there is one message that is consistently followed down the line. Take quality. There is no one at Ell who doubts our needle-point efficiency effort. Our needle-point effort is similar to GE's Six-Sigma. In fact, that's what we derived it from and, locally, we call it 'Need-Point Efficiency' (NPE). Our chairman spent three whole months drafting it, visualising it, and another three months visiting every Ell office around the world to explain the need for NPE. Once he had done that, it became religion. One visionary lets forth NPE and it now has the following of our workforce the world over!

In Belfora, people endlessly debate every concept. Partly, that comes out of the organisational philosophy that encourages everyone to question everything. I think, the essence of that philosophy was to encourage contributive thinking and improvisation. But slowly it degenerated into a kind of '*parantu-vidhi*' or 'but-why' style. The culture is aggression. And it works complementarily. For example, when a new distribution method was recommended by our sales director, each of us argued, debated, conflicted and crossed swords. On the other side, it came to a stage, where the sales director handed us the do-it-or-else ultimatum. Sure enough, within three weeks, the new system was in place.

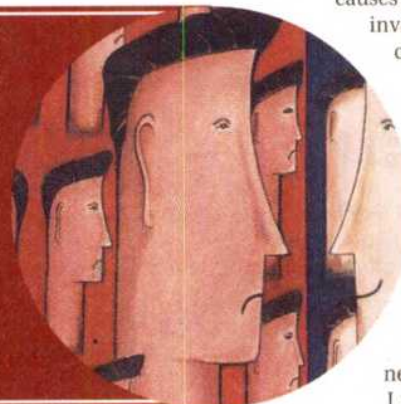
Therefore, what comes first? The democratic style, which allows all and sundry to debate? Or an autocratic style, which causes resistance to change? At Belfora, argument was invariably followed by a bellowing diktat. Iropically, it always worked.

At Ell, I was facing a completely different style. As I said, the system was democratic. But such democracy did not lead to mindless arguments or resistance. Neither was it autocratic in enabling change. No *farmaans*, no ordinances or diktats. I have not seen people getting anxious or vicious; by the same token, I never raised my voice.

It embarrasses me now when I recall that at Belfora, I was constantly barking out orders to my sales team. Here, I have not once felt the need to even use a firm tone! Why?

I remember my stress at Belfora. I had objec-

"At Belfora I didn't even get to see the annual results; I read it in the papers. When I was sales head of a business unit, my business head never told us what the profits were"

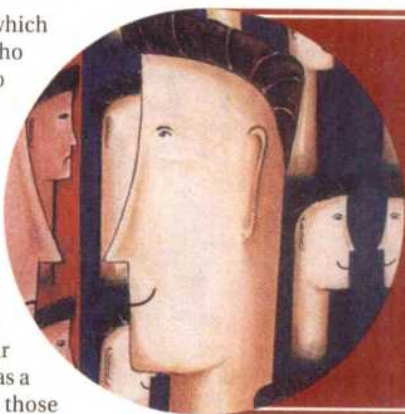


tives, sometimes day-to-day objectives, which were nerve-wracking. I had subordinates who resisted, debated, argued. I had seniors who were autocratic, non-transparent, and wielded the stick round the clock. (It made me the kind of person I would dislike immensely in my present setting.) I used to shout out orders, thump tables, snarl into telephones, even hit the ENTER key on my keyboard as if I were swatting a fly. My whole body language was simply aggressive. I carried a constant feeling of persecution ('I have had it today!'), existential fear ('Nobody in his right mind will take up sales as a career!'), and excessive aggression ('Shoot those wretches!'). I had constant problems with my time planning ('Why am I being told about every meeting at the last minute?'), impatience ('Which idiot has parked his car in front of mine?!'). Naturally, I had constant problems with my digestion and my spine. And, mind you, all that was only a year ago.

So, what makes Belfora successful in business, even with all the ailments I have listed? It has an energetic HR system, excellent training programmes, very good recruitment processes and, most amazingly, a very low staff turnover! It's a company on the ball, energetic, performance-driven, hard-working, high on ethics and business practices, good solid managers... you name it, it's there.

NOW, look at how it works at Ell. Take something like error-management. If there is a breakdown of a process, a manager is expected to walk through the sequence of events with the operating subordinate and see where the breakdown occurred. "Why was the ball dropped?" Not "who dropped the ball? What caused it to fall? Can it happen again? And what steps do we take to ensure that it does not happen again." Once he has identified that, he sets about rectifying the process defect using our NPE. Which means a team of four will brainstorm, do a transaction audit of the actual transaction process that failed, redefine the control or process objectives, analyse the sequence of events. There will never be a reactive defect-fixing. The repair has to render the system hardy for the longer term. The process, naturally, identifies the human that erred or acted in haste; he or she will then be evaluated on Ell Values. If it was process defect and not human error, which happens 95% of the time, life goes on for that person. But if he, or she, is found wanting in Ell Values, the person will be asked to leave.

How often at Belfora I have seen apparently failed situations entirely attributed to human error! For example, nobody asks, "Why isn't Glue-X selling? Why is the consumer not buying ... ?"



"The mantra for us at Ell is: 'Values drive behaviour and behaviour drives results.' This makes a lot of sense, especially if one sees it in the context of Belfora"

Somebody simply concludes that the salesman is not doing his job, and the territory officer is inefficient. No, he will not be sacked, but his nose will be rubbed to the ground ruthlessly.

So, is it just a matter of time before Belfora learns to change? Therefore, how is Belfora successful despite being so different from companies like Ell? I am not measuring success numerically; I know both companies have completely different businesses, different market behaviours and different sizes. The difference is that Belfora has been around 50 years, Ell came in 30 years ago; Belfora is in FMCG, Ell in durables; Belfora was born and brought up in India from the tough, slow-growth, unappreciative era of the 40s and 50s, Ell was born in the US during the 70s. Belfora had the typical, hard Indian childhood, frugal means, tough economy, agro-biased government, lots of hard work and tremendous determination, staunch values, not much public adulation in its growing years. In contrast, Ell lived well, had adequate means, encouraging and supportive government, energetic environment that praised effort generously, and a fair share of media adulation.

Will I be wrong in saying that Belfora continues to live in the memory of a tough childhood? That its beliefs on people management and operations management is a legacy of other times? Now that it has crossed the threshold, it needs to step onto a higher plane of evolution, and start working on cornerstones like attitudes, for it's these that will drive quantum leaps.

There are those who work strenuously for long, and after a while, that tired feeling dominates their attitudes and worldview. Then there are those who work just as hard, yet without strain impacting attitudes. They cruise through change, manage it, and even suffuse the whole organisation with the energy of change and growth. Both types achieve market and business goals. So, what makes for these two kinds of successes and how does one explain the styles that manage them?

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ANALYSIS I: SATISH PRADHAN

Substance And Form

Satish Pradhan is organisation design and development manager (group human resources), ICI Plc.



HEMANT MISHRA

THIS is, perhaps, the most endearing, poignant and vital saga from the point of view of individuals, organisations, and India Inc. The simple and yet insightful narrative of Shabad is a wake-up call for all of us. Let us look at this from the three points of view, starting with that of Shabad or the individual. He has not become a dinosaur, irrelevant to his times and unsuited to the future! He is making a big change after 17 years with Belfora — years of “constant persecution, existential fear, continuous time-planning problems”! With all his retrospective insights now, his inability to make a difference in Belfora raises the question of what happens to ‘good’ managers in such circumstances.

Is it the ability to delude oneself and perpetuate organisational myths, which is justified by the ‘successful’ numbers we are seeing here? A celebrated consulting organisation, in its study of High Performing organisations, found that these are ‘good places to work in, not necessarily nice!’ The key, I think, in all this is the balance between being oneself and part of the system at the same time. A personal attribute of great significance today, and in the future, will be this individual ability of managers to be anchored in themselves and yet be operators, custodians, defendants, reformers and owners of the systems they choose. Not mere ‘victims’ or naive members of the ‘jack-boot’ brigade. Equally, with talent being scarce and demand exceeding supply, the individual will have both more awareness and choice between the Belforas and Ellbones of this world, where ‘good’ just will not be good enough compared to ‘good’ and ‘nice’.

This highlights the question: ‘do we do things in a particular way because they

are ‘good’ or because they deliver better results?’ Systems, culture, organisational architecture and design are about leadership choices arising from the understanding and application of HR science. These have today tended to become whimsical choices elegantly attired in the garb of pseudo science, provided by well-intentioned amateurs masquerading as ‘consultants’ or HR professionals! Let me illustrate: Belfora has an “energetic HR system, excellent training programmes, very good recruitment processes and, a

that delivers those values. Every act, every note and every email was driven and energised by what Ell stood for — its values.

Belfora is a classic case of ‘successful under-performance’, where the short-term results data does not give any indication of the fact that it is not a ‘sustainable’ entity or an ‘excellent’ organisation. The current malaise of appearances rather than substance comes out clearly. Lack of a line of sight in values, culture, and behaviour, on the one hand, and strategy, systems, goals and personal per-

A personal attribute of great significance is the individual ability of managers to be anchored in themselves and yet be operators, custodians, reformers and owners of the systems they choose

very low staff turnover! It’s a company on the ball, energetic, performance-driven, high on ethics and business practices, good solid managers”. They get an employee opinion survey done, managerial style mapping, introduce a ‘360°’ system.

And what do they find? Their scores are reasonable to good and they have rational explanations in the areas in which improvements are needed. But they miss the basic point that Shabad marks: the stunning contrast between the living experience in one organisation, as compared with the other.

The key leadership issue here is about articulating values as a chosen way of doing business, the ability to conceive and design an organisation aligned to these values and the identification of behaviour

formance of individuals, on the other, are clear failures of leadership.

In stratified systems theory terms (or work level theory) Belfora probably has a gaping hole in work level 4 — the ‘schizophrenic’ work level of linking today’s results while building the brickwork for tomorrow, in terms of systems, culture, infrastructure and people.

This leadership behaviour is at the heart of the difference between these two organisations. Thought leaders on the subject today (Bennis, Goleman, Coney, Blanchard, Stamp) and research point to ‘character’ as the key to leadership and its manifest behaviour. Belfora and Ellbonne bring this out poignantly.

India Inc. has serious leadership gaps at work levels 6, which is corporate citizenship, work level 5 which is about strategic intent, but most seriously at work level 4, that is, strategic development of the organisation. This is particularly so at work level 4 — the intersect of the ‘strategic’ and the ‘operational doing’, where the gaping crevasse stares at us. All in all, praise the Lord for saving the soul of our Shabad!

Belfora probably has a gaping hole in work level 4 — the ‘schizophrenic’ work level of linking today’s results while building the brickwork for the future, in terms of systems, culture and people

ANALYSIS II: ZAHID GANGJEE

The Past As Prison

Zahid Gangjee heads Zahid Gangjee & Associates, a Kolkata-based organisation and HR consultancy, which helps organisations manage change.



CAJAYAM SINGH

FOR decades now, CEOs have been referring to human beings as 'major assets' and talking about the importance of having the 'right' organisational culture. Till recently, much of this was lip service. From the mid-1970s to the late 1980s, it was not unusual to hear CEOs say, "What's all this HRD stuff about? Look at Company X (very large, Indian, family-owned, multi-business organisation). They don't have any HRD and they are making a lot of money." The Indian CEO of a professional MNC once said to me, "Give me five good people and I can run any company successfully."

Peter Senge, author of *The Fifth Discipline*, the seminal book on learning organisations, says, "Organisations are products of the ways that people in them think and interact." These thoughts and interactions are themselves heavily influenced by the values that organisation members hold — their strongly held 'personal truths'. These 'truths' themselves are heavily influenced by the culture of the region in which the organisation is located and from where the managers come — also, by the popular beliefs of the era when the organisation first became successful.

In India, before liberalisation, since the main organisation capability required was to 'get that licence 'somehow', 'management' equalled 'manipulation'. In the sheltered marketplace, where customers were held captive, the attitude was 'buy or be off'. Power was the main theme, not expertise. Therefore, hierarchy mattered. It was fashionable to talk of 'team work' but companies were run like 'groups'.

A group (which is not a team) is characterised by the following: (a) a strongly focused directive leader; (b) rigid role boundaries, where each person, though he may know the ultimate goal, does his task and passes it to the leader, who is the sole coordinator; (c) the notion that accountability is to 'my objective' and rewards are to individuals; and (d) the belief that the end result matters, not the process of getting there.

In a stable environment with assured customers, groups work well. They may not

be enjoyable places to work in, but as one manager put it, "Where did it say in your joining letter that you would enjoy working with us?" Groups also hold the belief that 'bosses must think and the others must do'.

When the environment is in a state of flux — complex and fast changing — no one person can alone conceptualise and deliver what is required. This is when team working pays off. What characterises teams? (a) Shared Leadership: the person with the most expertise influences the direction and decisions of the group; (b) role holders have deeply internalised the ultimate goal and continuously align their own tasks towards its fulfilment. There are role boundaries, yet they are not rigid. Members continuously invite others to step in and also offer their own thoughts and expertise to other members; (c) team members hold themselves mutually accountable. They know that they have to sink or swim together; (d) though

if one sees it in a slightly longer-term dimension. How can Belfora survive? Case data tells us that 'despite some very strong brands, Belfora was being pushed around in the market place by lesser brands'. In an atmosphere of buck passing, blaming, suspicion and fear, where will the innovation and learning come from? How can they compete in the long run with companies like Ellbonne (with its NPE, openness, sharing, support, commitment and, most importantly, trust) which truly believes in learning and changing? Ultimately, human beings run organisations. Talented and creative human beings run outstanding organisations. Given the choices that are more plentiful today than in the pre-liberalisation era, which talented person will choose to join or remain with companies like Belfora, with their constrictive organisational processes which create stress, health problems and damage family lives?

To me, it is no surprise that Company X (very large, Indian, family-owned, multi-business firm) is in deep trouble today. Those of its businesses that could manage change are keeping afloat

the end result is very important, equally important is the process of getting there. Members continuously meet to check out 'how are we working?'

To me, it is no surprise that Company X (very large, Indian, family-owned, multi-business organisation) is today in deep trouble. Those of its businesses that could manage some change in their fundamental beliefs are keeping afloat and may make it. The others are dead or dying. The CEO referred to earlier, has finally retired, after sinking two new businesses that he tried to lead with 'five good people'. (He now acknowledges how much those 'insignificant others' in his first company had contributed to his delivering success).

Shabad's dilemma is no dilemma at all,

Belfora is certainly caught in its origins — which helped it succeed in another era. It has to change. It will need to diagnose its real strengths today and jettison those that may have been useful at one time but are deterrents to effectiveness today. It has a big challenge ahead, because not only will organisational systems and processes have to change, but also individual values and behaviours.

My own experience tells me that as long as the 'bottom line' is okay, companies like Belfora will not start the painful change processes that are required for long-term survival. It normally takes a business hit or an enlightened, new CEO to begin rewriting the organisational script for a different future.



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Of Growth Pangs And Plans

Should Chennur Tea look at an entirely new business for growth and move away from its tea business? And if it does, should it set up a new company?

This case study was first published in BW, 6 March 2000

■ MEERA SETH

PREM Warriar sat up with a start. He was listening to his wife who had just returned from visiting their son in Chicago, even as he was preoccupied with a decision that faced him at work. She said: "The only thing I didn't like was his apartment; he calls it a studio. He cooks, sleeps, eats and even studies in that room. How can you get focus? His books, clothes, soup packets and CDs all co-exist! I wonder if he will get his doctorate in the midst of a whirling washing machine, stale dishes,...."

Prem felt a familiar confusion return. Everything was somehow linked to his company's new business plans, even the apartment his son lived in. From Chicago to Chennai, it was a long chain of chaos, he rued. Chennur Tea, the Rs 300-crore Chennai-based tea company where he was the head of corporate strategy, was contemplating change. And after last week's meeting with his management consultant, Riaz Latif, the change seemed much bigger than he had anticipated. For not only was Riaz suggesting moving away from the tea business — something Chennur was reluctant to do —

but he was even redefining the business model.

Chennur had been looking at growth avenues, but couldn't decide between improving its existing tea business with packaging innovations and convenience, or investing in ready-to-eat foods like microwaveable *dals*, curries and vegetables. Growing the tea business found immediate favour with most, while managing director Deepak Rai was determined to enter new businesses.

"The question is what kind of growth are we seek-



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ing?" asked Prem. "We can innovate forever since 'drinking tea' isn't likely to go out of fashion. But how much will we grow? And where will the growth come from? New users? New markets? Will that be enough?"

"Let's understand one thing, we are in the beverages business," said Anup Tandon, the marketing head. "The entry of lifestyle brands has led to some loss of marketshare. Lifestyle aspirations are now more critical to the consumer and we need to address that. Growth will come from staying close to the consumer and engineering innovations that will improve the value delivery to the consumer. That's the only way we can align our investments with consumer needs."

As the debate warmed up, it became apparent that the argument was not in favour of entering the ready-to-eat foods segment. Anup suggested that they innovate on tea and take it beyond current blends — iced tea, flavoured tea, and convenience packaging that would hone their skills. "What competencies do we have in foods anyway?" he said. "Haven't we seen enough companies that tried to enter foods and are languishing?"

"Besides," said Sumeet Panday, the chief financial officer, "how are you going to justify investments in areas where consumer needs don't even exist? Enough and more is going into competitive warfare and fine-tuning the present blends."

But Prem who had warmed up to the new idea said: "I feel we must leapfrog into areas that address next generation needs."

"Tell me, how many people eat out of foil packets?" asked Anup. "Let's not forget Indian food habits. Which housewife would want to restrict cooking to a mere snip

of the scissors and pressing a button?"

"As long as you continue fulfilling the needs of your existing consumer set, you won't be able to pull Chennur out of the low performance trap that it is in," said Rai.

It was at this stage that Riaz cast his ballot in favour of an innovative shift. "Attempts at packaging innovation, etc., will, at best, help you gain some marketshare and, perhaps, add to your sales," he said, "but not a quantum leap. If we want to take the company up many rungs, you must try and think of innovation in the broader area of foods. No doubt you will fine-tune your strategy in tea, innovate on packaging and project a demand that will be up 15 times in five years. But what next?"

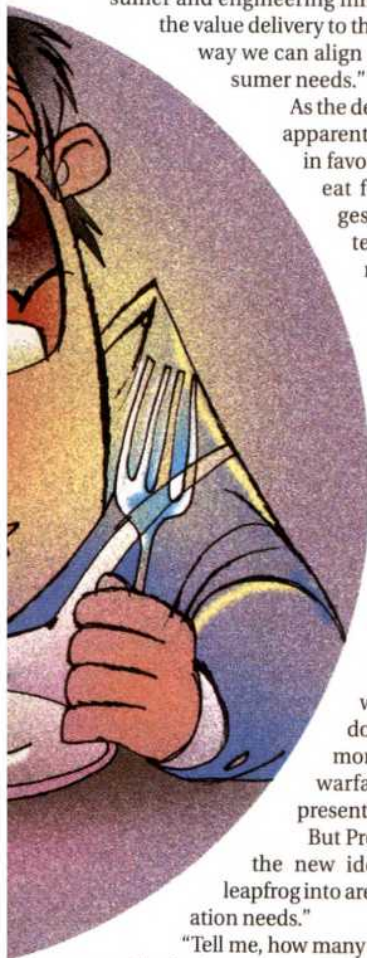
"Yes, you can keep on nibbling at the competition, converting users — which you have been doing anyway. And each time sales goes up by a few percentage points, it will give you an aura of long-term success. But you have to start looking at real growth, and that, I feel, lies in anticipating future trends and slotting yourself into the expected or anticipated future needs or lifestyle of your consumer set."

Prem was willing to play along for the time being, but he said: "Whatever future trends you may talk of, it must have some bearing on what the market has revealed," he said. "Therefore, it may be okay to venture into areas like cereals and even pasta or soup, which have been fairly successful with consumers. These are days of intermediates, ready-to-cook or ready-to-use. But where is the market for ready-to-eat foods apart from potato chips and *namkeen*?"

"But where was the market for potato chips when Lehar launched its brand?" asked Riaz. "Even then, the market said why fear. I agree the concept will appeal to few initially and that sales will be limited. Was there a market for garlic paste when Dabur launched it? It is possible that even today the consumer does not rate its performance attributes highly, but in many cases we have seen that the product does improve at a rapid rate and even replaces existing habits or perceptions of a category."

Staying close to the consumer's current needs could blinker a marketer from innovating, felt Riaz. "But once a player decides to look at the future, he sets in motion change, by which time it is too late for existing players to retain their markets," he said. "Take the automobile industry. In an era of least competition, it thought it had created sufficient entry barriers and new players wouldn't come in. It didn't even believe that a change was worth the effort. But it paid the price by allowing Maruti to shape the emerging market. And Maruti offered a better product at a lower price."

Riaz felt there would always be scope for improving the current needs of consumers, but to see that as an investment for growth is where he disagreed. "The past is always a reassurance of what worked well then," he said. "So, you could continue tweak-



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ing your packaging, and offering multiple blends. But look at the bigger picture: there is a discernible shift in lifestyle and aspirations. Decode that correctly and anticipate the shape of things to come. So, why not ready-to-eat foods?"

"But there has to be a market and a felt demand," said Anup. "We have to fit ourselves to consumer needs; that is the best way to have a winning product. The felt need and demand is for intermediates — salt, *atta*, gravies, soups, etc. There is a market, albeit small, but it is possible to estimate a demand, target market potential and revenue streams. But something whose need has not been felt, doesn't even exist — how do we justify an investment on that? How do we even know if these costs can be recovered?"

"Of course," said Riaz, "a maverick new category which is futuristic will not proffer attractive financial yields. And yes, costs will be huge. But that is the price you have to commit to for real growth."

"But tell me," continued Riaz, "what kind of information about the market did Reebok have when it entered India? Was there a market for technically-engineered shoes to begin with? Who knew? But there was aspiration, there was an interest in fitness. But was it enough to justify an investment of Rs X million which Reebok put in? What, if at all, was available was the size of the total footwear market, which included the market for Hawaii chappals! If Reebok had stayed close to the existing consumer need of functional shoes at a cheap price, there wouldn't have been a market for its technically-engineered shoes! Conventional market research is of no use in such a situation. So, Reebok had to 'develop' market information such as: 'Who could be the potential consumer? What did such a consumer look for in terms of value or performance? What were his aspirations and where in that hierarchy could a need gap be identified and filled in with a pair of Reeboks?'"

"To my mind, Reebok developed the data by actually putting its shoes on the shelves, believing in the compatibility of its value delivery with the aspirations and trends in consumer lifestyles and thinking that whatever be the product, consumers were aspiring to improve the way they lived."

"And that is how it sought to give shape and contours to a non-existing market and focussed on the few variables that were available, albeit without any profile," said Riaz. "But it was one laborious move after another. But in that phase, Reebok learnt what consumers wanted. Uniquely, it was the consumer who came back and said that he did not want high price. But he said something finally: 'Give us good-looking shoes like these that are affordable.' A point of communication was reached. And when the consumer starts talking to you, you know you have a place in the market."

"It was then the second phase began," continued Riaz, "when it redesigned its shoes, did some spectacular value engineering

and adapted its product to the evolving mindset of consumers in India. That naturally brought down costs and, hence, the price. At that point, I think, Reebok started setting targets and calculating budgets. Not before it entered the market."

"Kellogg's graph is almost identical," said Riaz. "It went ahead in a market that gave no clues on its size. But Kellogg's put the cereal on the shelves, threw in trial incentives, watched consumption and buying habits, improvised, watched, and created data, which it then set to improve. Now tell me, how could Kellogg's or Reebok believe there would be no market simply because there was no market? If consumers were buying age-defiant creams, how was a packet of cereal any different? If you were eating *paranthas* for breakfast, you were also using *chandan* to preserve your skin. The fundamental truth was that the consumer aspired for improvement."

The following two days, Prem and Atul were involved in intense debate. Yes, they felt, the market lay in anticipating future needs. The idea of entering ready-to-eat foods seemed less daunting now, although they felt the typical anxiety that preceded a vital move. Many new entrants had blazed the trail of new categories, but as Prem said: "I wouldn't go by their examples alone. After all, some were seeking new markets. But yes, we can find encouragement in what Dabur, Lehar and RCI did. These are firms like ours which sought to grow beyond their existing businesses. And, if both Reebok and Kellogg's succeeded in breaking the myths behind their expected failure, I'd think it was also because they were multinationals with deep pockets."

"Wrong," said Riaz, when Atul repeated that argument. "Because they were both start-ups and not divisions of an existing company." Atul was surprised, even as Riaz said: "And that is the other aspect of a new business. If you have decided to enter ready-to-eat foods, understand that success will depend on the business model too. Because a new product category, one that is path-breaking or different from the mainstream product category of an existing company, needs an environment where there are no benchmarks, no history, where small wins create energy and don't invite ridicule, and provide focus and drive."

"That might explain why Cadbury failed in ice-creams, why Marico's fabric-care business may be slow. So if you decide to enter the ready-to-eat foods business set-up, let it be a separate firm and don't run it through a division of Chennur," said Riaz. And that led to a fresh round of agitation and anxiety in Prem's mind. "Where is the need for that?" he asked. "As it is entering a new category, it's going to strain our bottomline; we hardly need additional costs to render the idea unviable. I am not sure I agree with you," he said.

Riaz said: "It is difficult for established firms to undertake new ventures and sit patiently through the start-up stages. Mind you, the new business is not going to reap revenues in Year One or Two

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or Three. It is going to be a slow process of trial, error and repairs. The tea division will not sit back and watch quietly. There will be the tug and pull of resource allocation and you will unwittingly expect the same financial performance standards from your new business which apply to the more successful tea business. What will happen in the process is that you will set tough targets for the new business, harass its every move and curb its independence."

"Maybe," said Prem. "But pre-warned is forearmed. We can bear this in mind and ensure complete independence for the new business. But setting up a separate company doesn't make sense. Firstly, we do not even know if the new business is going to pay for its upkeep. If it is a division, it can readily use our existing market research and financial services facilities, the administration and even the sales team. Those are huge costs: it does not make sense to duplicate these services and costs. Once the new business starts to reap revenues, it can decide..."

"I agree," said Anup. "After all, isn't Hindustan Lever (HLL) running five distinctive businesses as divisions? It's a question of good company practices and ensuring focus. In fact, that's the reason Walls ice-cream is able to hold out. If it had been a separate company, it would have folded up by now. As a division, the support costs are borne by a common pool."

But Riaz wouldn't agree. "It is risky," he said. "Besides you are not Hindustan Lever. That company has evolved and grown so many businesses that it has covered a better part of the learning curve. But it has had its share of stumbling too. For example, consider why Lipton did not succeed in its various forays into foods like pasta and fruit-based beverages. So, it is not just start-ups — even existing companies planning a different business need the environ of a separate organisation. An established business thinks and behaves differently from a new business."

"Thus, when it entered ice-creams, Cadbury may have believed it was dealing with an established market. There may have been a market for ice-creams, but to go out there and create a fever for your brand, even create a parlour habit, was something new. That attitude of the mainstream business has a rub-off effect on the new division and I suspect that the Dollops team, too, thought it was there to enhance corporate growth when, in fact, it was there to explore a completely new product category. When you are on support, you can't feel only for your division, you harbour feelings of anxiety for the support the mainstream business is giving you."

The advantage of starting alone, felt Riaz, was the ability to develop a distinctive vision for the new business without the tedium of constant referrals to the mainstream business' success. "A division 'divides vision' and splintered visions don't guarantee success," he said. "Your new business will have lower profit margins

than your mainstream business, a different consumer set to cater to, maybe a different distribution strategy. Left alone, it will develop the initiative to look at the market from a zero-base. Combined with the tea business and an access to a common resource pool, it will willy-nilly focus on cost benefits, resource optimisation and the path of least resistance."

Ready-to-eat foods was a completely different business with different consumer needs, felt Riaz, which demanded a separate organisation. "Examples abound, but it is for you to learn from their experiences," said Riaz. "Even when there is a market for the new category, you still need to set up a separate organisation. Why did Glaxo exit its foods business? Foods was a division of this large pharmaceuticals company, which was geared for ethical selling and not consumer selling. Reckitt, on the other hand, has set up its pharmaceuticals business as a separate firm — Reckitt Piramal. It knows there is a market for over-the-counter products, yet it has chosen to set up a separate company. It will work since the visions are independent," said Riaz.

"Does that mean that each time we want to enter a new business we have to float separate companies?" asked Prem.

"Well, I suppose as long as they are strategically different from the mainstream business," suggested Anup. "But I also think that once they have grown they should be merged with the mother firm. Because, by then, their independent costs will get to be economically unviable and, in fact, an advantage is to be had in the economies of scale the merger will proffer."

Riaz grew thoughtful. "That I am not sure of," he said. "It will depend on the nature of the business. But essentially, the same reasons for their separation will also operate in their merger. Those reasons don't disappear. If sharing resources is the theme, you will be back in the argument room over budgets, share of resources and rationalisation of product lists."

Prem disagreed. "HLL has merged its foods and skincare firms into its mainstream soaps and detergents firm. Surely, you aren't suggesting that will be sub-optimal?" he asked.

Riaz dodged that one. It was difficult to answer that, even as he knew that for a multi-product multi-business firm with such a fine-tuned business model, this was unlikely.

Instead, he said: "Every business has its own vision and lifespan, its own strengths and weaknesses. Within that, there will always be a re-arrangement of business focus. What is mainstream today may become secondary tomorrow. What if your ready-to-eat foods business outgrows your tea business?" he asked.

This was one big move; the choice of business was no more an issue with Atul; what worried him was Riaz's suggestion that if it was a business clearly distinctive from the core business, it should be handled out of a separate organisation. ■

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ANALYSIS I: UTPAL SENGUPTA

Tread Cautiously

Utpal Sengupta is president of ITC AgroTech.



D. RAVINDER REDDY

THE debate among Prem, Riaz, Anup and others at Chennur Tea raises several interesting issues. Before seeing whether Chennur's new venture should be a division or a separate company, let us look at some other issues:

Sticking To The Knitting: It is not clear what skill-set Chennur expects to bring to the ready-to-eat foods category. Growth aspirations need to be based on reality. There is no evidence of a SWOT analysis having been conducted by Chennur, and if it was, whether it would support the bold new initiative being contemplated.

The arguments in the case are personal viewpoints rather than objective facts. A new venture needs to be based on market analysis, consumer research and hard-headed evaluation of competencies. When Anup asks for evidence to justify the new venture, the others in the group are still 'warming up to the new business idea'.

Staircase vs Leap-frog: Dramatic shifts in business strategy may sound exciting but in today's competitive marketplace, they may not make sound business sense. Deepak and Prem are getting ready to bet on the company based on the hope that the ready-to-eat food category will change Chennur's fortunes. Research shows that such dramatic shifts in business strategy are fraught with risk. Successful growth companies engineer strategy changes one step at a time. They take the 'staircase' approach to growth — with each small step, they add to their learning and competencies.

Kellogg's and Reebok are Indian entities of large multinationals and have a thor-

ough understanding of their respective businesses and product categories. They are in the process of creating market positions for themselves in India for the future. The strategy adopted by these companies can't serve as a beacon for Chennur.

There are several Indian companies that came up with innovative new products and succeeded. Nirma, Dabur and Ranbaxy are such examples. In today's IT-dominated world, the examples of Wipro, Infosys and Satyam are rapidly becoming legendary. However, there are several companies with innovative new products that sank without a trace even though they may have shown great promise in the beginning.

Chennur needs to do its homework before attempting innovations. It should look for ways of reducing the risks of entering a new business by following a more thorough process to understand the new category. It is wrong to suggest that 'conventional market research is of no use in such situations'.

Division vs Independent Company: The question of how to structure the new business, as a division or an independent company, puts form before substance. Given the nature of the new venture and its 'fit' with Chennur's existing business, success or failure is likely to be determined by the intrinsic soundness of the business plan. So it is worthwhile to examine the issues raised by Riaz in support of a separate company.

To say that the right mindset cannot be created within a divisional set-up is wrong. The case itself cites several examples of dis-

parate businesses successfully co-existing as divisions within a single company.

Take for example General Motors' Saturn division. When GM wanted to do something truly radical in what was otherwise seen as a bureaucratic organisation, it created Saturn. Other organisations habitually spin off 'skunk works'. These consist of small, creative groups of people working towards focussed objectives, while remaining within the organisational umbrella. They create a separate identity for themselves, distinct from the main organisation. Intrapreneurship is the name of the game.

Evidence suggests that there are several fiscal and operational advantages of operating within an organisation with a divisional set-up. It has also been seen that it is possible in such a set-up to provide autonomy for each business so as not to adversely impinge on the achievement of its objectives.

It can be argued that shorn of administrative responsibilities, a divisional structure helps in realising goals because it lets people focus solely on the main task. Besides, a division of a large company is more likely to attract high quality talent as compared to a struggling start-up.

However, the same solution may not fit all. The answer to the question faced by Prem and his colleagues can only emerge from a dispassionate evaluation of the benefits and risks of a truly liberated mindset in a separate company. This will need to be weighed against the synergy benefits that can be achieved in a divisionalised structure in their specific case.

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ANALYSIS II: SANJAY SEHGAL

Engineering Growth

Sanjay Sehgal is vice-president (marketing), Nestle.



DILEEP PRAKASH

THE case throws up several issues pertaining to how an organisation should engineer long-term growth. As the saying goes: "The art of progress is to preserve order amid change and to preserve change amid order." This is, essentially, the dilemma that Chennur faces.

Two basic issues that emerge are:

- Should Chennur focus on its current competencies or should it enter new categories to ensure long-term relevance?
- What business model should it follow? Should it operate in the current set-up or be split into two distinct companies?

It is unlikely that the current business has reached saturation levels, offering no opportunities for growth. The product category may be mature but Chennur has to examine its operations in the light of its competitive position. It seems to be a small- or medium-sized operation in a big category. While rapid growth is unlikely for Chennur, it must retain its interest in tea or face loss of consumer franchise. It should try to freshen up its product offerings in tea and drive growth through share gains and expansion into new locations or segments.

It is important for Chennur to create an environment and a mindset that encourages growth within the organisation.

What should be the basis for determining new opportunities? Business opportunities can't be determined without considering the organisation's ability to tap them. An in-depth understanding of Chennur's strengths or weaknesses must be carried

out before it enters new categories. The management needs to see, for example, if Chennur has brands that can be extended naturally into other segments.

It needs to identify the 'high-potential' categories it is best equipped to enter. Next, it needs to look at the current players operating in that segment and see if Chennur has the financial strength to develop the business. Is the opportunity identified by the consultant — ready-to-eat foods — realistic for Chennur? While the Indian consumer is willing to experiment at the periphery, the core meal remains more or less traditional. So the evaluation of this business does not look at some of the larger issues at play. Also, in what area of competency will Chennur enter ready-to-eat foods? The more logical choices would be other commodity food products (Chennur might be adept at handling low value-added and high-volume products) or beverages (it may have consumer insights in this area). What it, perhaps, doesn't have is the technological expertise or consumer insight in culinary products.

So one is almost tempted to rephrase the question: "Why not ready-to-eat foods?" to "Why ready-to-eat foods?" Chennur will be able to generate long-term, sustainable growth only by leveraging its current organisational strengths and expertise.

Chennur must innovate within its current business area to ensure that it remains competitive in tea and drives real internal growth. Within its existing busi-

ness territory, it needs to identify trends in consumer behaviour that will offer growth opportunities. When it comes to expanding its operations, the cost of entering a new category can't be left undefined. The new business should strengthen the parent firm by offering operating synergies. In short, Chennur must stay focussed on its competencies. That doesn't mean it should only market tea. It must also enter areas where it can leverage its experience. Is a separate company necessary to provide focus and the environment for growth? The consultant's advice that when it comes to entering a new category, we need to carefully nurture the new business venture is well taken. But we must not swing to the opposite extreme wherein we increase complexity of operations and risk the core business.

To ensure that the new business grows, we need to develop an independent vision and business structure for it. But its vision must be derived from the larger vision of the parent. The relevant business model, thus, is not the creation of an independent company but setting up an independent operation within the parent company, and a change in organisational mindset to one that supports growth. That means:

- A revitalised organisation that exploits its current strengths and is focussed on its core competencies.
- An organisation governed by a clear vision that defines its goals.
- An organisation that invests in its future by drawing on its past.

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Aiming For The 'Aha' Effect

Technology must alter the lifestyles of a significant mass of people, felt Akbar Iqbal. Did Tomaiki have a 'Made For India' strategy? he wanted to know

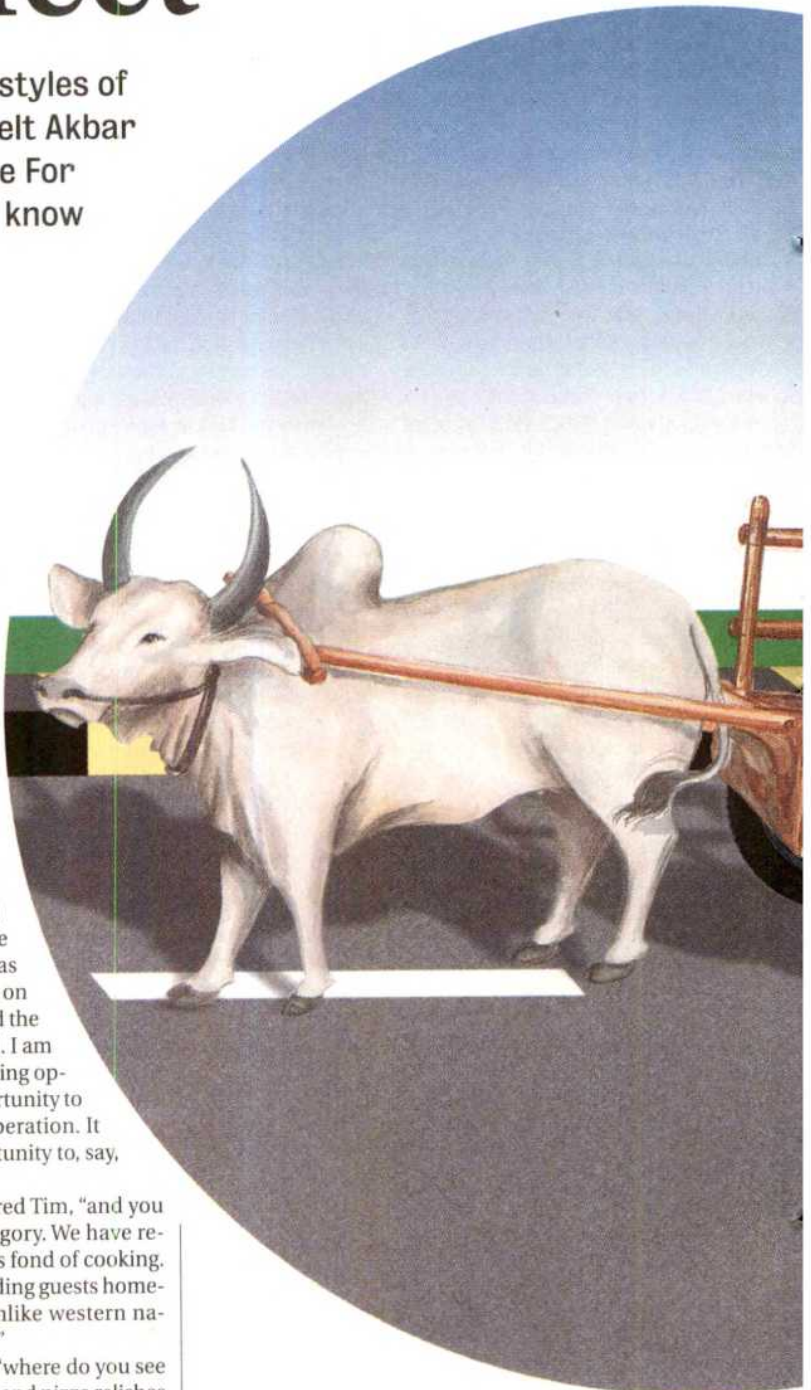
This case study was first published in BW, 30 April 2001

■ MEERA SETH

AKBAR Iqbal read the email on his screen with interest: 'Our meeting yesterday was valuable. While I don't have an answer to your question yet, I want you to know that the subject is not closed. I'll call you once I have conveyed your observations to my management. Until then, you remain on my priority list. Tim Wagner.' Akbar smiled. It would be interesting to know what Tim's bosses felt, he mused. Last week, Akbar had declined a job as country head of Tomaiki Foods in India. "Based on the range of foods you're planning to launch and the long-term plan," he told Tim, "I am not inspired. I am looking for a core marketing job, not a mere selling operation. If Tomaiki is looking at India as an opportunity to sell what it sells elsewhere, it is but a selling operation. It would be different if they see India as an opportunity to, say, grow a category."

"Take a look at some of our products," offered Tim, "and you will see that it, in fact, creates an all-new category. We have research data that tells us the Indian housewife is fond of cooking. Cooking is not just for home consumption. Feeding guests home-cooked food is the hallmark of hospitality. Unlike western nations, India has a fascinating range of cuisine...."

"Since you've recognised that," said Akbar, "where do you see your offering fitting into our 'needs'? Yes, pastes and pizza relishes



have a place, but a small place. The bigger market lies in our daily food. So, if a new brand enters a new market it should meet the need gaps. The answer to what those needs are, lies in our habits and you need to research those habits."

"I agree," said Tim, "but there should also exist a business proposition. At the end of the day, one does look for numbers adding to the profit line."

"You're looking at a vastly underestimated and ignored market," said Akbar. "For decades now, most new products have bypassed the bigger segment of the population. Every new entrant and even the government felt that providing for the mass markets is the job of local firms and the small-scale industry. But I would say that LG and Samsung's technology is not relevant for India. Because it is not a universally functional or relevant product. Neither am I saying that you should come with low-cost methods. No, the Indian consumer has evolved far too much and is more demanding than you think."

"Just because every dollar of investment that has poured into durables and non-durables does not recognise the bottom 75% of the pyramid — the common man — it does not mean there is no market there. And, rural wealth is growing at a faster rate than urban wealth! Everyone who enters India is, in a way, endorsing existing categories of goods and services and worse, endorsing the existing consumer base. So we have more TVs, refrigerators, washing machines, and now, more microwave ovens. Is that how limited their technological capabilities are? Okay, so you can enter with pastes and relishes and instant desserts — the same 3% of the population will buy it. Do you not want to relate to the other 97%? Don't you want to find out what they need and whether you can stretch your technological capabilities to produce solutions for their needs? So, do you want to become a local brand like Hindustan Lever (HLL) and Reckitt or just a niche brand?"

"We certainly have a desire to become a locally desired brand," said Tim, "but within the scope of the categories we operate in worldwide."

But that cannot make you a local brand," said Akbar. "Global players have coined this catch-phrase — 'glocal brands' — for

global brands that have Indianised. But to glocalise you need to be risk-happy, and that can come only from taking ownership for the market you are operating in. And taking ownership means being ready to extend the width of your category to include products of local relevance. It's because HLL or Reckitt ventured beyond globally defined categories, that they built successful markets in edible oils, scourers and toilet cleaners!"

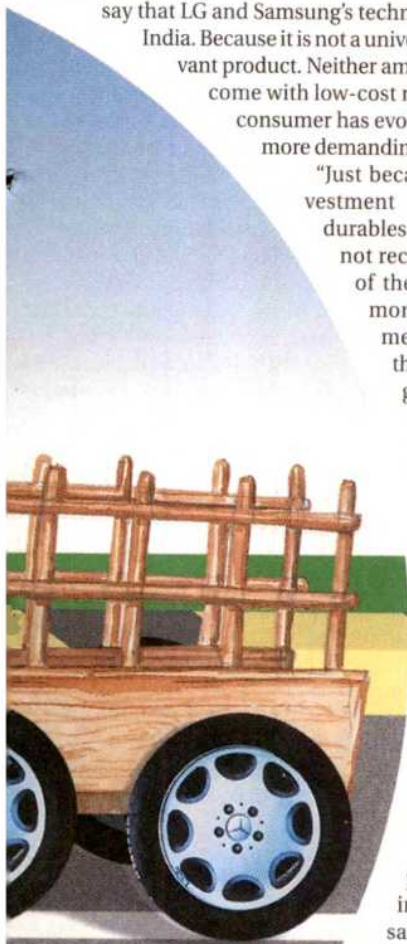
Tim thought for a bit, then asked: "Have other global brands tried to innovate and spread their skills?"

"Like I said, it requires a different approach to doing business in India, in the way you view the market opportunity and in the scale of your vision," said Akbar. "No doubt these brands have enabled higher standards of service, quality and content of Indian brands. But what they haven't done is work at the grassroots level to localise their offering to Indian ways of living, washing, cooking and eating. Look at the microwave oven. It's a cooking appliance and must be synchronised with local habits. The watchword is cooking habits. Have any of them studied what is the basic gravy or the basic style of cooking? Have any of them tried to bring Indian cooking into microwave-able possibilities? About 70% of Indian housewives buy it because at Rs 6,000 it's a cheap food warmer. Not for cooking. A few do cook in microwave ovens, but so what? Can I make *mutter paneer* in it? *Sambhar*? The pressure cooker works more efficiently and a gas cylinder is more cost-effective than electricity for most Indians."

So, if I as a consumer, have to allow a microwave oven into my orbit of desire and evolve to the level of microwave cooking, then at the first level, its usage should not necessitate that I change my cuisine, diet or even recipe! That means I too need to have products that render microwave cooking easier than my current practice! But we still don't have any offerings of ready-to-cook/eat foods. And this is a huge opportunity for you! Does *Tomaiki* want to look at ready-to-cook/eat *dals*, *sabzis*, *curries* or intermediates relevant to Indian cooking?

"That means you need a good research team that will observe cooks, cooking processes and understand the nuances of each herb and spice and vegetable and how it responds to a given recipe. The product design should evolve from there. It's a tough proposition, but that's what glocalising is all about. Glocalising is not selling bigger freezer space when freezing food is not a traditional habit for Indians; when uninterrupted supply of electricity is not assured even in big cities; when there is no knowledge base of freezing methods, how to defrost, thaw or build logistically efficient systems for an ongoing freezing habit. So why are these big foreign names seeking to lure the consumer with a huge freezer capacity when nowhere are they selling freezing as a habit? Refrigerators, including the fancy ones, still talk about instant ice and freshness of food. Therefore, what are you going to tell the housewife to do with extra freezer space?"

"But even in such a scenario, a large freezer is useful if you can home in on Indian cooking processes and identify intermediates, which a housewife can prepare in bulk and freeze to make cooking less of a chore. That requires habit formation, education. But that is glocalising! Yet, no refrigerator firm has done that. They still offer bigger freezers. They need to market freezing as an advantage. That should be the Indian value to build for the Indian housewife, in much the same way that Kellogg's built the cereal habit in a country that was inseparable from its *aloo paranthas*. Health is a desirable value, so it worked well, even if slowly. Spending more time with children is a desirable Indian value, which could be the emotional benefit that a refrigerator maker



can offer through education on freezing and frozen foods and the savings in time.

"But refrigerators still address the man, through use of words like cost-efficient, energy-efficient, more space... you need to address women and their issues like convenience and time savings. Yes, long-term deep-freezing is undoubtedly suspect in a country short on electricity generation, but short-term deep-freezing for three days is quite tenable! There are more than enough tricks in the bag, if only you have a research team that watches what it should observe."

BUT that doesn't make new entrants irrelevant!" said Tim. "No, that's not the point," said Akbar. "They are relevant to some, but for many, these products do not meet their needs in the circumstances they operate in. Indian consumers need a basic product at a good price and quality. Instead, what's being offered is increased technological upgradation. This is an international obsession. In India, we are still talking about 'growing into the category', new users will come if you give them a machine with one button to switch it on and one to switch it off. But we have fuzzy logic, half-bucket loads, perma press, delicate fabrics, coloureds, heavy loads,... it confuses them. In any case, given how erratic the water supply is, the lady of the house does all clothes in one go as long as there is water. I would tell manufacturers, don't worry about this hi-tech stuff, we still have to begin considering machine washing as acceptable, possible and superior to hand washing, as supremely convenient...."

"So, has any manufacturer innovated, stretched his capabilities, ventured into an all-new category?" asked Tim. "The question is, is this possible, profitable? That will indicate to me the nature of the potential," he said.

"Uniquely, such innovation has come entirely from Indian entrepreneurs," said Akbar. "Which shows how much is possible! Take an appliance like a mixie. Not one foreign brand has managed to take over the Indian kitchen. Indians still swear by Sumeet, by Inalsa, and further south, *dosas* and *idlis* depend on motorised, local, hardy but sleek-looking grinders. Global brands of mixies do not suit Indian cooking needs. Neither are they showing any initiative to create one, despite the fact that Indian habits revolve around wheat, rice and gravies and need mills and grinders daily. So, despite all the big names in TVs and refrigerators, Indian brands dominate Indian kitchens.

"I do think foreign brands are competing with the consumer and not each other. If you can change their lifestyle meaningfully, you can grow into a large local brand. Only three brands have changed the lot of the Indian people. One is Nirma. The

leapfrogging into detergent washes is entirely its doing. Within three years of its entry, the size of the detergent market shot up seven times! Why? Because it was giving a detergent to the masses at a price of Rs 7 a kg! And that poor soul who spent her mornings bashing the clothes on a stone, discovered convenience. At Rs 29, Surf wasn't encouraging the lady to adopt convenience. The question for a foreign player is not 'is there profit' but 'is there opportunity'. Those who chose to operate where the opportunity was limited found that profits are limited! There's a huge market here, but to get there your price-performance levels have to be different. Pricing has to reflect understanding of the market, but of course, that doesn't mean low technological solutions! And product performance has to meet real need gaps.

"The other brand that changed India was Videocon. It gave you a TV you could afford. Now just imagine, and this is where you need to get into what creates that 'Aha' effect. A product must make an impact on the consumer whereby he sees a major change happening in his life, to the way he lives and thinks. Videocon came at a time when people were migrating from their joint-family villages, giving up agriculture for a city job and a fixed income. What does such a person do for entertainment? So, the TV brought home entertainment for the lonely, bored person. You'll appreciate the value a TV has for the Indian consumer if you see that penetration levels for TV sets are the highest of all consumer durables, lower only than fans! Even cycles are lower!"

Tim gasped as Akbar went on: "The third brand that caused a big change was Reliance, which brought the concept of polyesters to this country. Suddenly life changed. Wash and wear, drip and dry, wrinkle-free, easy to iron... look good, feel good, that was convenience and a change too. The feel-good aspect of your brand or product's delivery is what delivers the 'aha' effect. Therefore, a manufacturer/marketer simply needs to look at the pyramid of the population, the living styles and then operate from there the product idea.

"Hence, when you come into a new market, look at what a large number of people want, what can impact their lives... products that make lives better are the ones that will stay. Don't come in with the latest. I hear all this song and dance about 'broadband'. Hey, I am barely coming to terms with a computer, why are you telling me about broadband! That is what the average Indian says. India is the average Indian, not just the 6% elite who, in any case, do not necessarily shop in India. So give them basic stuff that they understand and, importantly, need!"

"So the best inventions so far have come from our own people, because they are more clued in to what the masses need. I read about this man in rural Gujarat who has devised this refrigeration unit using a double walled terracotta pot and the principle of evaporation. That's what is needed. Yes, some also need four-door, frost-free, thinking refrigerators, but is that what the market is made up of? If your technology, greatness and wisdom can bring better lifestyle only to a few, it won't win you the following of the total market.

"But if your technology has the capability to alter lifestyles for a significant mass of people, then you certainly are assured of leadership. Because then you are catering to an opportunity. That is product relevance. Not a four-door 100-litre capacity freezer monster for the better-situated cities. Yes, all that does is create a new market for LG, for Sam-

A product must make an impact on the consumer whereby he sees a major change happening in his life, to the way he lives and thinks. This is what creates an 'Aha' effect



sung, but a limited market. It has not given products that are useful and affordable to a larger number of people. In that category of products they operate, yes, the basic minimum acceptable standards have got raised. But those categories are not relevant to more than 15% of the population!

"I am emphatically saying, a huge business opportunity exists, if you care to look for it. Therefore, I ask, what is your idea of a business opportunity? Scratching at a much-flogged niche 6-8%, or creating a new market? I am talking about the elasticity of your entry into this country. About the elasticity of your technological wisdom. About your desire to become a truly global brand. When that lady in distant Dindigul exclaims 'aha' after a Nirma wash, when that lady in Solan wipes her refrigerator with a special cloth and says: '*achchi cheez hain na?*'... she really means it because the product has impacted her and her family's lives. That's the aha effect that is missing in most foreign brands. The aha effect lies in products that are needed by many people rather than a few. And you will find it in the habits of the people, which, unfortunately, have not been researched at all!

"So when they come with products of limited relevance, their communication, too, does not ring true. All significant communication boils down to 'are you going to dig deep enough to arrive at a meaningful insight into the customer, or are you going to operate at the surface?' But being relevant requires an entirely different business mindset. Yes, you can have relevance to a small market and yet have a following. But it's when you are relevant to a bigger part of the market that you become a leader."

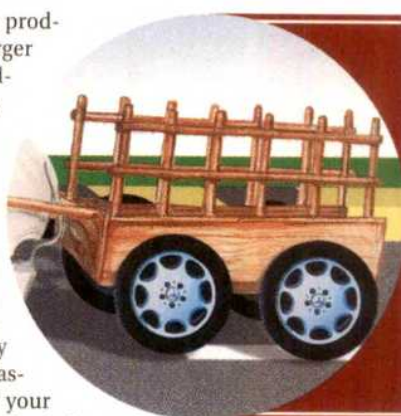
"And what have they done to become acceptable as an Indian brand?" asked Tim.

"They jump on to the globalising game," said Akbar. "They leapfrog on to whatever is closest to the consumer's heart: Shahrukh Khan. So let me take SRK and say, this is Santro speaking, and by virtue of his closeness to your heart I will also get close to your heart. So either I use this approach or I go the nationalism way. If you see the 15 August issue of *The Times of India*, you will observe platitudinous and pontificating messages from these foreign brands. 'We share with you your dreams....' Naah! These are tactical. As a marketer I will say, how does that make you locally desirable? Globalising is valuable when your brand uses sophisticated foreign technology to give the consumer an emotional benefit that actually changes his lifestyle.

"Onida, for example, has cottoned on to a basic Indian pleasure for sound. Now India is the only country where the volume at which you can play your TV set is a critical issue. It's part of being Indian, this calling out to kids, shouting out for the vegetable vendor from your verandah, shouting into the telephone because it is a long-distance call, we love to speak loudly. So, Onida has a TV set with a 650-watt audio output. Videocon did the sound thing too, it's called Bazooka. A brandname created by its owner Pradeep Dhoot himself and he also wrote a beautiful, Indian-emotion tagline to the brand: not only thunderous but wondrous! Just look at it! Even the English is Indian, touching at the heart of Indian sentiments."

"What about the foreign brands?" asked Tim.

"They say you can change 50 channels in 50 seconds. So what, I ask. No one is setting records. It's an irrelevant attribute to highlight that this TV can be programmed to come alive at 7.30 p.m. Is that a marketable proposition in India? Here we also use the TV as a radio.



The challenge for all marketers lies in being able to manage the consumers' needs, dealing with them and cajoling them to shape new markets

The TV is on there, I am reading the newspaper, the wife is cooking, the son is doing homework, and mind you, it's not a music channel, there is a serial on air. And every once in a while the wife calls out, '*Achcha*, what did Priya say? *Ghar chhodke ja rahi hai?*' Or my son will shout out: 'Ma, today Manisha is wearing your favourite suit.' It's how TV works for the family in many Indian homes.

"So it's homegrown Indian brands that got the pulse right. Onida may get its technology from JVC or wherever. That's different. Why, we buy fabric from Japan and make *salwar kameez*! So, you can get the raw material from abroad, but make the end product Indian. It sells, and that is what you are in the business for, aren't you? Because then it is recognition that this is the way families operate in India. The best product developments and adaptations come out of observing how people lead their lives. That is globalising your product."

AKBAR felt that there were so many untapped, unmet basic needs, so typical of Indian living conditions and styles, but those had either not been researched, or, like he felt, had been ignored altogether. "To know there's a need and be unable to fulfill it is a paradox. But merely labelling it so isn't enough for this country or investors. The challenge for all marketers lies in being able to manage it, deal with it and cajole it to shape new markets.

"These are things being missed by the guys who are using the word 'marketing' instead of 'sales'. Selling is taking what you have and finding somebody to buy it. Marketing is finding out what that somebody wants and creating that product. But that is not what they are doing. They are telling me: 'Here is what I have, and this is an MP3 player....' I say I don't have anything to download from, they say: 'Doesn't matter, this is the best MP3 player in the world! Buy it. So you need to look for an all-new marketing opportunity in India rather than merely sell what you have found relevant for other countries."

They went into some more discussion on product relevance and business strategy, when Akbar said: "Tim, the question simply is this: how important is India as a market to Tomaki? In other words, do you have a 'Made For India' strategy? If it is 'Made for Europe, let's check out India', I am not inspired enough to take on such a limiting job. Frankly, I have 'sold' enough of the same thing. A mere sales job doesn't entice me to leave what I am doing. I do believe, the sky is the limit in India. You can choose from gravies, pastes, ready-to-use cooking intermediates.... and I am sure they'll even have a market globally!

"So there is a sitting duck of an opportunity, all yours, if you have a Made For India strategy," ended Akbar. ■

ANALYSIS I: RAMA BIJAPURKAR

Pain-Gain Quotient

Rama Bijapurkar is an independent strategic marketing consultant and visiting faculty at the Indian Institute of Management-Ahmedabad.



RAMA BIJAPURKAR

THE debate between Tim and Akbar cannot be resolved around the themes of 'right and wrong ways to address new markets', or 'what constitutes marketing strategy best practice'. This debate is about corporate ambitions and risk appetite and what norms and expectations the organisation has for financial performance of new business initiatives. It is about the pain-gain profile of Tomaiki Foods. How much pain for how much gain — over what period of time — does the business want to take? And clearly, Tim is not the decision-maker on any of this, since the issue is not about functional marketing decisions but about business choices, and, as he puts it, 'the management' will have to decide where it chooses to compete. Does it want to compete in the product-consumer set defined by (international product range and high prices) X (consumers ready for it) X (their peripheral needs), or address a much larger number of potential consumers living in the market with an extended (largely new) product range (at lower prices) that addresses their core needs?

Akbar seems to feel strongly that this job is attractive only if the company he works for believes in doing whatever it takes (products and brands) to fully exploit the totality of the Indian market opportunity. He is not interested in a job that says 'do the best you can with what we have, and you may tinker at the margins with product and brand changes (like the size of the deep freeze or localised advertising)'. If I were Akbar (and that would significantly diminish his chances of getting the job!), I would ask for a meeting with the business decision-makers, and present to them a detailed five-year business strategy, business plan and pain-gain analysis for two approaches — the 'exploit India opportunity' approach, and the contrasting 'India as a new market to extend my global strategy to' approach. This would lift the issue from one of conceptual and academic debate with a 'there are two sides to every coin' ending, to a discussion with a 'this is what we are going to do' ending. Do they

want to go the Hindustan Lever way, or traverse the Procter & Gamble route?

Akbar must also confront the apparently reasonable, often quoted logic that many MNCs have when entering developing markets. 'Let us sow the seeds of our global strategy (or some incremental adaptation of it) today, establish a small business and educate customers. When the market develops, we will reap the harvest'. No such luck. This ugly duckling will not become a beautiful swan in a hurry.

Akbar must highlight the likely future structure of consumer demand in India, so that the key factors for success in India become clear.

One: that India is mostly poor, and while slowly improving, is likely to have lots of poor people for the foreseeable future. However, there are rich people too, growing in number and also getting richer, and while they are a small percentage of the to-

pre-sell his audience a bit by getting them to read, in advance, C.K. Prahalad's *Harvard Business Review* article 'The end of Corporate Imperialism' and also some of his later work relating to 'Strategies for the bottom of the pyramid'. These readings will make the case, through examples, for a change in mindset from 'old technology' to 'advanced technology with a local flavour' and from 'efficiency of a known model to innovation as a new model'. These will help Akbar make the point that the objective of building low-cost business models is not to deploy low technology to deliver products with poor consumer perceived value at low prices. The objective is to use high technology, first rate consumer insight, and sophisticated business process thinking, to innovate products which have high consumer perceived value, delivered via low-cost business systems. He already has an arsenal of examples of organisations which

The biggest challenge for Akbar is to persuade his audience that the short-term struggle to serve a market which demands complexity in strategy, is still worth it, given its potential

tal, they are large enough to represent an interesting market, albeit a truncated one.

Two: that consumer demand in India is about a lot of people consuming a little and not about a small number consuming a lot. Therefore, the 'great Indian number trick' of how poor consumers today account for, in value terms, a market many times larger than that accounted for by rich consumers, is unlikely to change. Three: that the change in habits and practices, especially of something like food, will be very slow burn, and the force of change will be generated from a large mass of people changing a little rather than the other way round.

Akbar should then focus their attention on what it takes to make money in such a demand structure. Perhaps Akbar could

have done this in varying degrees.

The biggest challenge for Akbar is to persuade his audience that the short term struggle to serve a market which demands strategy complexity far in excess of its value, is still worth it, given the potential size of the prize. The proposition is 'India as a growth driver for the future' rather than 'India as an attractive market today'. The proposition also is 'India as a separate unit for strategy development' rather than, 'India as an extension market for global strategy deployment'.

Finally the proposition is 'leveraging the global competencies and knowledge of the company to create a winning' 'Made For India' strategy, rather than leveraging a global strategy to create a new market. ■



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Col. Virender Kapoor, Director

ANALYSIS II: R.S. RAMASUNDAR

Prisoners Of The Past

Ram S. Ramasundar is the country head and CEO of the Electrolux group of companies in India.



DINESH KRISHNAN

A big firm was hiring new staff and a question in the exam was: 'You're driving one stormy night and find three people waiting in the bus stand — an ill old lady, a doctor who saved your life before and a beautiful lady who is someone you've been dreaming to be with. You can take only one. Which one will you choose?' Out of the 200 candidates, the one who was hired, stated that "give the key to the doctor, let the doctor take the old lady to the hospital and I stay to wait for the bus with the lady of my dream."

Everyone I meet thinks the above answer is the best, but no one could think of it first. Is that because we never want to give up any advantage we hold in our hands? We would gain more if we're able to give up our perceived advantages.

The discussions between Akbar Iqbal and Tim Wagner raise one issue: profit vs opportunity, similar to the dilemma of the car driver. Although most won't admit it, the truth is that most organisations refuse to look at the vast opportunity, preferring to focus on near-term advantages. We are all prisoners of the past in some way and the success models elsewhere prevent us from coming out with market-specific prescriptions. The classical brand marketing model has conditioned us to think along the lines of images, existing markets, market shares and short-term financials and, therefore, by definition, most of our actions tend to be tactical and reactive. On the other hand, the market leadership model demands a strategic and proactive perspective where the focus should be on building a long-term brand equity, which requires a category focus.

Given the low penetration levels of most product categories in India, the first-timers constitute the bulk of the market (these are new entrants to the category) rather than the upgraders. Let's take refrigerators and see what are the category-related issues relevant to these new entrants:

The large freezer space — is it necessary? How can the interiors be customised to suit Indian cooking habits? Is it not possible to insulate the customer from the erratic power situation in most parts of India? Can we think of alternative energy

sources, instead of electricity?

Many of these issues were examined in the past, but with no serious breakthrough intent — with the result every other manufacturer is offering the same product, with some differentiating feature, at best. Growing a category, however, requires a risk-taking entrepreneurial approach that's different from the managerial approach of most MNCs. No wonder all unique innovations have come from the Indian business houses.

If growing a category makes such a good long-term proposition, why are most manufacturers paying only lip-service to this? There are some real and imaginary hurdles, that hold MNCs back.

Global Success Models: Often, this is the biggest stumbling block and one frequently hears the arguments that if it can work in Manila, why not here? Experience across global markets imposes such a compelling logic on the Indian market — 'we know it will work here ultimately —

gap, which the existing market research methodologies do not address sufficiently.

Product Development Capability: Developing a product suited to the mass customer base of Indian market, requires an R&D capability locally, which is not the case with most MNCs in India. Most Indian operations depend on the global R&D function of the parents, who neither have the inclination nor time for the time to develop an exclusive product for India.

Financial And Economic Compulsions: Growing the category is good for the long term — but it is expensive if one has short-term results in mind. Efforts on research, product and market development require investment of time, effort and money. The problem is more acute in the Indian context, where most new manufacturers are finding it difficult to achieve even cash break-even results and hence how can they justify additional investments?

Price-Performance-Value Imbalance: This is a big area of frustration and acts as a

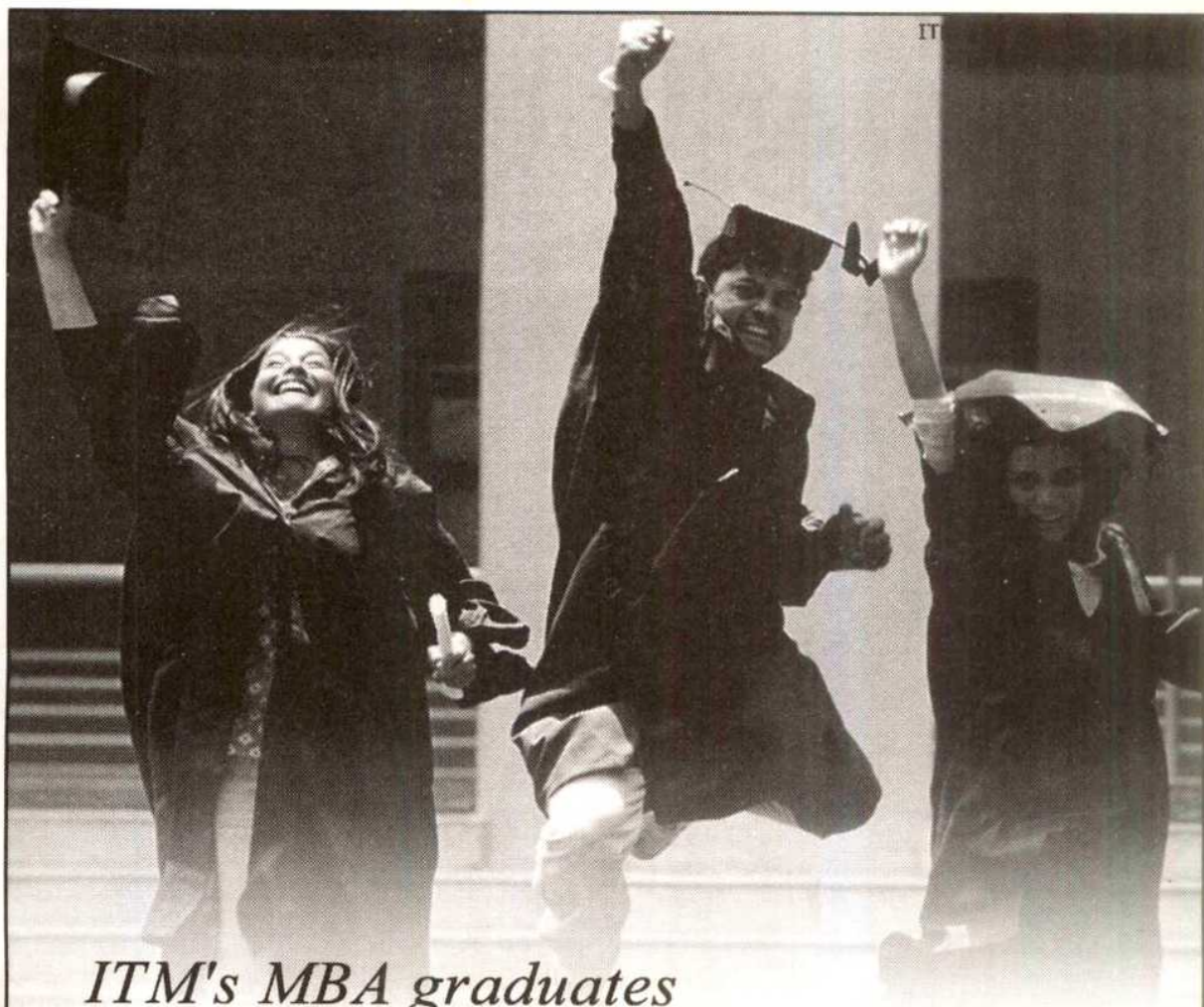
The experience across global markets imposes just such a compelling logic on the Indian market — a thinking that goes: "we know it will work here, you don't have to reinvent"

you don't have to reinvent.'

Lack Of Consumer Insights: Most of the marketing fraternity does not have an understanding of consumer habits and wants. While any number of research projects are conducted with regularity, none is able to develop a cohesive product idea, which meets the consumer's functional and emotional needs and which can become the basic platform for a research and product development effort. I may be accused of being an ignoramus by the marketing fraternity — but the truth is all these 'research studies' focus on the existing niche consumer base only. I am yet to see a detailed research effort on rural cooking and storage habits and mostly, we end-up researching consumers in Delhi, Mumbai or Coimbatore. There is a big knowledge

brake on market development efforts. Given the relatively high cost of input materials and services, multiple taxation and the hidden costs arising out of infrastructural bottlenecks, the final product price relative to its performance and the affordability index, goes out of balance. As a result, manufacturers end up trying to achieve this fine balance of price-value equation — leaving them little time or resources to attach priority to the category development efforts.

Almost all consumers look for functionality, emotional satisfaction and affordability in any product or service. Synthesising these expectations harmoniously would be a consumer marketer's dream and we have a long, long way to go, in order to achieve this dream!



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Chasing The Expat's Shadow

Was an expatriate head the answer to Lexicon India's problems in making an impact on the premium chocolates market?

This case study was first published in BW, 31 May 1999

■ MEERA SETH

SUKUMAR Sharma was agitated. His finance director was on the line from London, with, as he was saying, a 'solution' to his problems. But 'Suku' was far from pleased. "Suku, the latest verdict on India is 18 months. You understand?" asked Leon Carey. "HQ has found this bright start-up artiste who has been slaving over our Nevada operations for India. He is pricey, but he is hot. He will either turn the whole thing around or pull the shutters down. My bet is he will turn it around," said Carey.

"What is he going to bring to my business which we can't do ourselves?" asked Suku. "You think we haven't tried every trick? The solution is very clear Carey: just set up the plant or allow us to outsource manufacturing. And importantly, allow us to enter the mid-priced segment. Why are you imposing this additional cost of Rs 1 crore per annum which I can ill afford? We could use the money to hire a sensible sales and distribution team and achieve better market reach and volumes in the other segments. Or even acquire a depreciated plant and start production. We can't afford these high-priced expats!"

Suku was the head of operations at Lexicon India, a chocolate and confectionery company. For four years, he had been battling memories of a failed joint venture (JV), dealing with the home



market and the parent company and trying to bridge the ideological gap with his country manager. He was also handling two jobs and 14 managers and praying each day for a miracle. Carey was adding a fresh chapter to his nightmare, he felt.

Five years ago when it set up operations in India, Lexicon went through a nightmarish JV and a business that wouldn't take off. It had been through just about every complication that a new entrant could possibly encounter. Lexicon entered India in 1994 with Nimbus Foods, a medium-sized confectionery company located in Gujarat, as its partner.

Nimbus made biscuits, chewing gum, boiled sweets and toffees — a mix that suited Lexicon. For Lexicon was a successful chocolate company and the products it had planned for India in the first phase were premium chocolates and nutty bars. The understanding was that Nimbus would be the marketing arm for Lexicon and the latter would not compete in those product lines in which Nimbus was present. Additionally, Lexicon could use Nimbus' plant to manufacture its high-end products.

The joint venture arrangement was the best Lexicon could ask for: manufacturing facilities combined with a readymade distribution network, which would take its premium products even into the B-class towns, which, research declared, had a very high level of aspiration matched by a healthy disposable income. For Lexicon had concluded through an extensive survey that the Indian middle class was growing rapidly, taking the market for premium chocolates along with it. For the initial stages of the market entry, Nimbus' plant would suffice, but at a later stage, it was agreed that the joint venture team would set up a state-of-the-art plant to manufacture the chocolates.

But Lexicon's sales didn't pick up and stocks piled up at the Vadodara plant. Nimbus attributed the low offtake to teething trouble and assured Lexicon of growing retail interest. By mid-1995, however, report after report questioning the size of the middle class appeared in the media, sending the Lexicon team into an abyss of anxiety. Nimbus then began to complain that Lexicon's market estimates were too ambitious. The Lexicon team, on the other hand, concluded that Nimbus did not have the skills to market the premium products.

When, at the end of the year, Nimbus' efforts did not lead to sales or orders, Lexicon, UK, began to examine the JV contract

more keenly to press for performance. That was the time when Lexicon's plan to set up its own plant in Ahmedabad came up for discussion. Nimbus dithered and its managing director Suyash Tripathi threw up his hands. "Where do I bring the money from?" he asked. "What do I tell my shareholders when we are nowhere near the target sales for year one?"

Tripathi had begun to lose faith in the partnership or in Lexicon's ability to make a dent on the market. The market, he saw, was not as responsive to Lexicon's chocolates as the plans had envisaged. Besides, biggies like Nestle and Cadbury had already turned aggressive and proactive and begun to launch their better-known brands. Lexicon's chocolates may be good, but the pricing was all wrong, the retailers claimed.

Naresh Sinha, Lexicon's country manager, decided he had enough. To the parent company he said: "This is absurd! The JV partner is going back on his word. Are we going to put our plans on hold just because Nimbus does not contribute to the plant?" In short, Sinha was recommending that Lexicon buy out Nimbus' share and go it alone in India. He had no doubts that Lexicon's bars would succeed.

It was London's turn to balk. "But do you have the wherewithal and distribution strengths?" it asked. There was no doubt that the relationship with Nimbus was now very fragile, but a divorce would queer the pitch further for Lexicon, which at least had the use of Nimbus' Vadodara plant and its distribution network. "Retiring Nimbus is a matter of detail," explained the UK office, "but how are you going to generate the volumes?" Sinha was confident he could. According to him, volumes could be built if they entered the medium-end range of confectioneries and chewing gum. But as it stood, as long as the JV continued, Lexicon could not encroach on Nimbus' market.

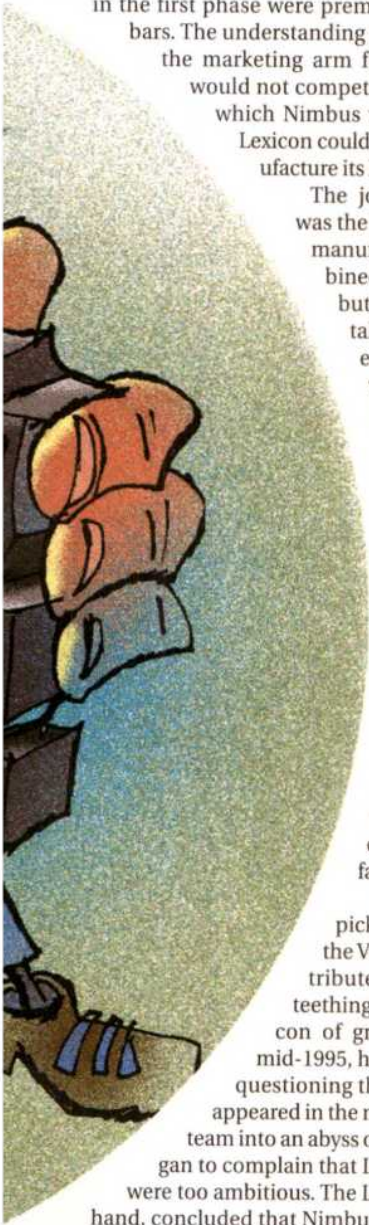
Nimbus and Lexicon parted company in early 1996 with an assurance from the parent company that Lexicon India would get an approval for a plant within six months. In the interim, Sinha would have to utilise the piled-up stocks and maybe import the products. Sinha was told in no uncertain terms that it was now up to him to deliver the viable volumes.

It was not a happy situation for Sinha. He had to set up a sales team from scratch and create a distribution network in a market that was very competitive. Worse, he now had to worry about how he would source the goods for sales. Luckily for him, the only person he managed to hold back after the divorce was Sukumar Sharma, the operations manager who had worked closely with him. Fired by his new role, Suku helped draw up fresh business plans and sales strategies and drove his team towards his goal. Suku also managed to tie up with biscuit manufacturer Alpine Foods to distribute Lexicon's chocolates in India. Together they worked out an agreement with Alpine's distributors in the North and in western India for sales to these markets and the South.

But one serious obstacle daunted him: London's stance that a plant could be set up only after a viable volume was achieved. Sinha had three options: one, manufacture on their own — but the parent company refused to invest in a plant till the agreed volumes were met. Two, manufacture through a third party. Or three, import products.

The most cost-effective route was to outsource manufacturing, but the parent company wouldn't hear of it. "In the candy and chocolate business, everything needs to be kept under wraps," said the UK head of operations. "Recipes and manufacturing processes are closely-guarded secrets. We cannot share them with some third-party confectioner."

Sinha argued there could be an arrangement like the one with



Nimbus, where the manufacturing was done under closely-guarded supervision. But the parent company would not hear of it. "After what we have faced with Nimbus, we are not going that route again. We have seen what the market is capable of; but you have to convince me with volumes for a plant to take shape," he said.

The natural choice was to import. But that also needed investments in a semi-cold chain to carry the chocolates and transport them. Importing also meant a host of other skills and costs: an entire logistics function, a warehouse and the people. In short, Sinha did not feel Lexicon India was equipped to handle imports. Also, with the focus on sales, he would rather channel his funds and energies into building a market.

THERE was a locational problem too. Lexicon was headquartered in Delhi. So if it had to import, it would have to set up an office in Mumbai, Chennai or Calcutta, if not at all three cities so as to be closer to the ports. Suku thought about it. "That makes sense, but how can we afford it?" he asked. Instead, he suggested that they speak to Alpine and convince its distributors in the three metros to take on the import function. "Logistically, too, that makes sense. They will be in control of the supply and distribution of the goods. We should work on that."

Fortunately for Lexicon, Alpine was enthusiastic and so were its distributors. "We can do it, if all costs are to your account," they said. Lexicon India agreed. Its sales team worked the markets, canvassed for business, booked orders and passed it on to Lexicon UK which shipped the goods to Alpine's three distributors under their import order. The distributors, in turn, paid the sales proceeds to the parent company. Lexicon received a small commission for the sale it put through, which was not even enough to cover costs. But as Sinha said: "The idea is to generate demand and develop the market. Soon the plant will be in place and life will be wonderful."

But life wasn't a bowl of cherries for Lexicon. Soon Alpine was complaining. The original agreement was only about distribution, but now it had the added bother of coping with arduous import procedures. Lexicon did not have a regional sales network, which made it difficult to ensure that the regional distributors processed their imports enthusiastically. Then again, if it took four weeks for a consignment to arrive from London, it took as long as three weeks to clear the material from the docks. All of this affected product quality and reduced shelf life.

Sinha grew weary of all this. "How do we grow the market without consistent supply? Does the parent company realise what all this costs us in terms of time and effort? Why can't we simply set up a plant?" he asked.

Already weighed down by the customs duty and admin-

istrative costs of managing the imports, Lexicon now could not afford to incur any more costs. The business was now losing money and employee morale was at an all-time low. Worse, with all the time spent on walking a tightrope, managing and monitoring the imports, there was precious little left to woo the retail trade. Suku didn't even have the budget to hire regional sales staff.

Yet Sinha wasn't about to give up. "We have come a long way," he tried telling the sales team. "We have to look at all these costs, even the dropping morale, as set-up costs. We are going to keep our chin up and get to the goal together!" For Sinha was determined. He had seen the business plans. Once the initial problems were overcome, Lexicon was going to unleash a host of exciting brands on hungry Indian consumers.

Whether they believed him or not, at least they were willing to strategise their every step together. Arguments and debates were par for the course at Lexicon. "Look, my job is to manage the customer's orders, not his temper," said the sales head. "The administrative burden of importing is becoming an issue. I am building customers for ever, not for a single transaction. We have to do something about the import issue!"

Sinha then made a momentous decision. "Yes, this has gone too far. Soon we will be manufacturing. We need to learn to handle logistics, so this is a good time to start trading activity as a prelude to manufacturing. So let us start importing directly in our name and set up a full-scale logistics function," he said.

It was now Suku's turn to debate. "We are making too many short-term decisions based on a dream that we will soon have our own plant. The fact is, we are far away from our target. Can we afford these costs?" he asked. "We have a good product, good brands and probably a good market. What we need to do quickly is set up the plant or urge Lexicon, UK, to permit us to manufacture through third parties," he said to Sinha.

The fact was that although sales had begun to grow, there was still no sign of the magic volume figure. Lexicon, UK's, insistence that India should sell only the eight varieties of premium chocolates was proving to be a big stumbling block. But the low-value, high-volume ranges could be profitable only if Lexicon manufactured the products. Importing them would not be cost effective, it was felt. It was for this very reason that Sinha had not pushed UK for permission to trade in the mid-priced segments. "We must wait," he conceded. "Once we have the clearance to set up the plant, we can start all these product segments, set up more elaborate infrastructure."

So on and so forth went the tussle between the parent's demand for volumes and the Indian subsidiary's desire to enter all product categories, and the unresolved debate over manufacturing on

its own versus outsourcing the products. There was no respite. It was even difficult to forecast the demand with any level of confidence, given the erratic supply and availability of the brands in the retail outlets. Suku was deeply annoyed by the apparent indifference of the parent company to the Indian subsidiary's plight. "The initial estimates and strategy were based on a middle class size of 350 million and its ability and inclination to pay for premium products," he tried explaining to Sinha.

"Now where's the sense in sticking to the old strategy of 'premium range only' when it is very clear that such volumes cannot be had but at a loss and at least not in the next five years?" But there was opportunity in that error, Suku felt.

When Lexicon India's joint venture partner, Nimbus, which manufactured and distributed the product, failed to deliver, Lexicon decided to go it alone. But it wasn't easy



Lexicon, which had planned to bring in only its premium products, could now relook at the dynamics and bring in all those low-value, high-volume products which would be enormously profitable if they were manufactured in India.

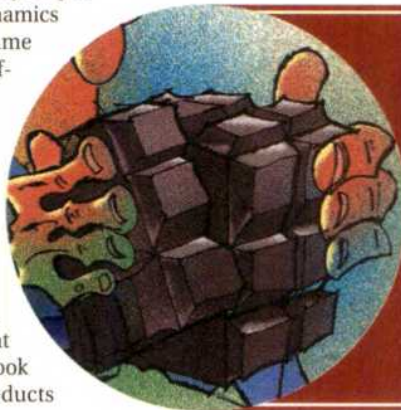
To Sinha he said: "Don't push for trading, Naresh. The arithmetic is very clear — volumes and profits lie in the middle- and lower-end ranges. You must convince UK on these two counts: one, either they set up a plant or allow us to outsource. Two, enter the mid-priced and low-priced confectionery segments with our international brands." However, Lexicon, UK, was so caught up with its image and fears that it refused to look at a region where only its lower-end products would find profitable markets.

When Carey visited India in early 1998, he sat through a three-hour presentation on 'Need for a changed vision'. At the end of it, he asked: "Tell me Suku, how are we going to justify that it is worthwhile remaining in India?"

HOW do large multinationals take decisions on whether they should stay in a market or not?" asked Suku. "Based on profits, on volumes, on presence and long-term growth? You tell me, what is your vision? Never mind what your vision was four years ago. Let's say you have just completed a review of the Indian market and you have found that the middle class is 80 million. Would you enter India? Why do you want to enter India? For immediate profits? To grow a viable market here for the long term? To take part in the foods business in the belief that it is a viable and growing industry?"

"Don't forget that none of the new entrants made profits in the first five or even seven years. Growing a market requires a heart of steel, a stomach of leather and a mind sharp as a razor. Why blame it on a wrong estimate? Your answer lies in your long-term vision," said Suku. "All that talk is academic, Suku," interjected Sinha. "The point is, we have the demand, we even have a workable distribution system through Alpine. I know that if the products are available, consumers will come by the hordes. Today the distributors are not adventurous with their offtake because I have no plant. No credibility. They are saying: 'Set up a plant, manufacture, make your product available on demand.' I am not being allowed to do that," he said, addressing Carey.

Carey went back, promising to 'work on it'. Then the unusual happened. Believing that the poor showing was because the business was not being managed optimally, Lexicon, UK, decided to sack Sinha and send an expat manager from its home office. A beligerent Suku now decided to fight for survival. "It's clear to me



Sinha, the Indian country head, wanted Lexicon to enter all the market segments instead of sticking to only the premium. But the parent firm wouldn't hear of it

that the parent company is pursuing a narrow vision by insisting on the premium range," he told Sinha. "If they will not invest in a plant, I am going to push for outsourcing and trading in the middle and lower ranges."

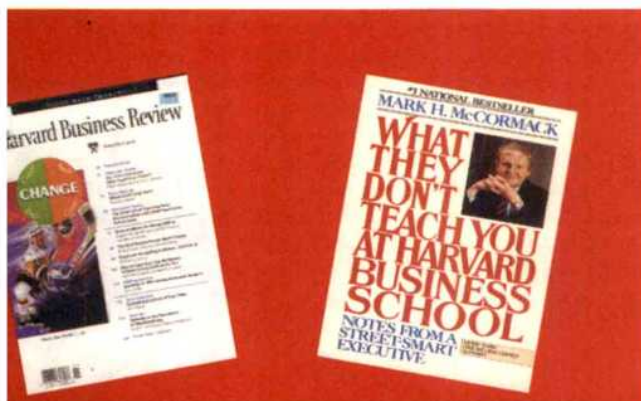
Six months passed and no one was found to head the India business. Meanwhile, Lexicon India's managers ran the business to the best of their ability, happy at having saved the cost of a country head. For Suku, every rupee saved meant more money to hire more sales staff so that they could explore every new market, sell the volumes and attain the targets that would justify setting up their own plant. For the longer it delayed setting up the plant, the more the revenue loss. And that was one reason why Suku was rejecting Carey's offer of an expat country manager.

"It will cost me my plant," said Suku confidently.

"Don't exaggerate, Suku," Carey said.

"It takes a lot of money to run an operation in India. Given our situation, we can't fritter it away. Now, don't send me a white elephant. I can run the business this way myself. Nothing strategic has been achieved in the last three years, despite having a country manager," said Suku. "Granted, we went wrong in our estimates, but so did so many others. But they all survived! The better companies have gone back to the drawing boards and altered their plans; they haven't quit.

"You compounded the problem by sticking to the premium mantra. Imports cannot be a permanent solution. Sooner or later we have to either set up our own plant or find a viable third party to outsource from. The size of the potential market is tremendous. So by setting up a plant, we won't be erring. But we'll be making a mistake if we stick to the current volume targets and the categories we are in. And that, Mr Carey, is why we are losing money. So let's take this decision now. We don't need to wait for an expat to fly here to decide!" he ended.



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WHAT'S STOPPING YOU?

ANALYSIS I: N.S. VIJAYA KUMAR

An Expat May Be Useful

N.S. Vijaya Kumar is chief coordinator at the Nagarjuna Group chairman's office. He was chief executive officer of Nagarjuna Palma — a joint venture with an Israeli company — for five years before becoming a member of its board.



Dear Mr Sharma,

I can understand how you feel about an expatriate coming to help the Indian operations. Having been so closely involved in your company's operations, you perhaps feel that everything that could have been done has been attempted. In fact, I can even sense your frustration over your overseas principal's decision to get an expatriate country manager, when, deep in your heart, you feel that you would have made a far better country manager!

Before we get on to the issue of addressing your feelings on this move, it may be worthwhile to study the issues dispassionately and explore what options are open to all the parties involved.

First, and this statement is not meant to console you, there are quite a few instances where the overseas organisation's visions for developing countries like ours are a little ahead of time. The projections of volumes are based and derived from aggregated data and therefore are not really rooted in the realities of the marketplace.

Second, most multinationals want to make a guarded entry into a country like ours and progress rapidly only after they get the feeling that they have sufficiently found their bearings in the Indian market.

Third, it is quite common for multinationals to advise their affiliates to look at specific product segments, preferably in the premium range, rather than spread the product portfolio wide to cover the entire range. This is because a start-up organisation has limited resources and therefore it makes sense to put these resources into a focused area in a creative manner rather than spreading them.

This also helps the organisation to continuously innovate and change the rules of the game rather than frittering away its energies and resources in me-too segments. Of course, these decisions also have to be taken after a thorough assessment of the local markets.

Fourth, there's a price to be paid in the short run for the 'selective' strategy; this takes the form of losses. In this phase, it is wise not to make any investments in creat-

ing fixed assets (such as manufacturing facilities) and instead invest in market development and brand-building.

Going by these, Lexicon's arrangement with Nimbus was perhaps the ideal choice. But every move after that caused the situation to worsen. When Nimbus 'failed' on the volumes front, and assuming that Sinha's conclusion that the company did not have skills to market premium wares is correct, I wonder why Sinha did not recommend to the parent company that the joint venture with Nimbus be amended to include only manufacturing and that Lexicon's Indian operations could do the marketing on its own.

After all, Nimbus erred only in marketing, not in manufacturing. It appears that Sinha had made up his mind about getting into the low-end segments as well and since this was not tenable in the existing Nimbus joint venture, he decided to call

The new expat country manager, based on his experience, can reassess the premium market, and if the size of the market looks interesting in the foreseeable future, can suggest creative solutions. He can, for example, revive the Nimbus joint venture, changing the agreement so that Nimbus does only the manufacturing.

Or if putting up a manufacturing base is the only alternative, he could convince the UK office of the need to use the Indian base for exports to other countries, so as to facilitate better capacity utilisation in the initial stages. The more we apply our minds, the greater is the list of possible alternatives.

Do not worry about the Rs 1 crore cost to the Indian operations that the expat head will entail; Lexicon, UK, is likely to view this as a small investment compared to the cost of the outcome of a wrong strategic decision.

Sinha's termination of the joint venture with Nimbus without looking at alternative arrangements (in terms of modifying the JV arrangement) was not a wise move

off the venture. This, according to me, was the first serious error in decision-making for which both Sinha and Lexicon, UK, are responsible. After that move, a Catch-22 situation was sure to follow.

It occurs to me that in the light of the Indian experience, Lexicon, UK, is still not sure of the size of the Indian market and therefore wants to utilise the services of an experienced expatriate to address this crucial issue. The parent company has also realised that Sinha's termination of the Nimbus joint venture without really looking at alternative arrangements (in terms of modification of the joint venture arrangement) was not a wise move and therefore felt the need for another person to take a fresh look at this issue.

I would suggest that you accept the expat country manager with an open mind. And communicate to him effectively the value of the experience in building the brand and furthering the marketing operations.

If things work out favourably, then sooner or later you will replace the expat manager, leaving him free to take on similar assignments for the company. If things don't work out well, you will certainly be richer from the experience that you gained.

If you have made a good enough impression you could — if you wanted — get drafted into Lexicon's overseas operations! Either way, it is a win-win move for you.

Wishing you all the best. ■

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ANALYSIS II: G. BALAJI

Build Credibility

G. Balaji is professor of operations management at the Management Development Institute, Gurgaon, Haryana. A mechanical engineer from Bombay University with a doctorate from the Indian Institute of Science, Bangalore, Balaji spent a term at the J.L. Kellogg School of Management, Northwestern University, US, as a visiting scholar. His areas of teaching and research are operations research, manufacturing strategy and management of technology.



DINESH KRISHNAN

SUKUMAR Sharma is indeed in an unenviable situation. On the one hand he faces an apparently recalcitrant market that refuses to be stirred by the known mantras of management; on the other, he has to tackle a conservative hard-nosed board that is looking for clear and unambiguous signals before it commits further resources to its Indian operations. Compounding the problem is the fact that the board is not Indian and the products are at the premium end of the consumer goods segment, which has stumped many a recent entrant to the Indian market.

Sweets are an inseparable part of the Indian palate. But non-traditional products have a difficult time endearing themselves to the Indian sweet tooth. Product improvisations (changes in product characteristics or usage patterns), which demand a large resource commitment, will most probably be required. Merely introducing an existing international product may not be the best way of persuading Indian customers in B-class towns to adopt a new product.

A firm that wants to make an entry into this business will have to make investments in setting up a complete supply chain that will probably equal those made in manufacturing. Investments in maintaining and servicing a distribution network will have to be complemented by investments in brand building. In this context, it is quite logical for Lexicon to have entered the Indian market through a joint venture with an existing business in this area. This reduces investments in both manufacturing and creation of a distribution channel. This would have enabled Lexicon India to devote its resources to brand-building and promotion.

The entry into India was prompted by the apparent size of the Indian middle class. The choice of a JV indicates a cautious, arm's-length commitment. There is no evidence that the setting up of the Indian operation has been integrated with the global operations of Lexicon. The Indian operation appears to have been set up

only with an eye on the Indian market. Therefore, when Carey talks of exiting the Indian market, it is not a hollow threat but a logical follow-through of the parent company's investment/divestment strategies. The decision to continue operations in India does not appear to be irreversible.

I don't accept Sukumar's argument that more products from the Lexicon stable should be introduced in India. Premium confectioneries command high margins due to their market image, built up over years of consistent advertising. Lexicon, highly conscious of its image, will be reluctant to take on the Cadburys and Nestles in the low-end markets. Doing so would lead to a price war in the low-end segments, which would not be sustainable unless the premium products are well established. Even if it is successful in securing a satisfac-

Lexicon faces two options: consolidate its presence in the Indian market by building a plant or exit. The choice will essentially depend on its estimate of hitting a good market. The delay in setting up a plant and the imminent change in the top management are clear indications that the firm is not ready with adequate credible information to make this decision. The 'magic volume number' given by the parent company is its threshold level, to commit itself to consolidating the Indian operation. Having waited for a few years to see this figure emerge, they now seek a 'second opinion' from their soon-to-be-appointed expat CEO.

Whether they are at fault or not, Sukumar and his team today lack credibility with the top management. If one takes the view that Lexicon is waiting for more adequate and reliable data to commit itself, it

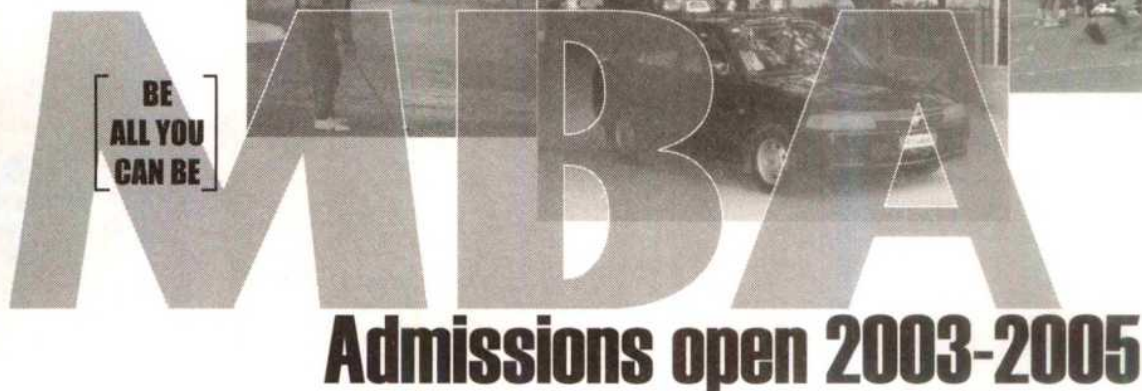
Entering the low-end market will lead to a price war there. It won't be sustainable unless the premium products are established. It won't be advisable as it may lead to brand erosion

tory marketshare, Lexicon's brand image in India vis-a-vis its brand image at home will suffer. This can harm its premium products in India as well as other newer markets that it may wish to enter later. Exploiting economies of scale by entering the low-end markets after its premium products are established is one thing; entering the low-end segments to survive is another. Given its position internationally, I suspect that Lexicon's viability significantly depends on the sales revenues from its premium products.

Five years ago Lexicon had two options: enter India on its own or through a JV. Not perceiving any strategic advantage in Indian operations, this arm's-length involvement in the Indian market seemed to be the best option. Today, after the failure of the JV,

would be in the best interest of Lexicon India to enable the parent firm to get this information. Resisting the appointment of an expat CEO on the ground that it would be too expensive will not help matters.

Lexicon has been maintaining its operations in India despite losses for the past few years. Spending a couple of crores of rupees more will probably hasten its data acquisition process. Sukumar must use this as an opportunity, of having a clear line of communication with the top management, to convince Lexicon about the veracity of his arguments. Lexicon cannot be accused of not having a vision; at best it may be faulted for being painfully cautious. But seeing the scenario in South-east Asia, this cautiousness may be justified. ■



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Change: To Be Or Not To Be

Three years and Rs 17 crore later, Mebrisk India discovered its system revamp was a completely futile exercise. But was it so profitless after all?

This case study was first published in BW, 1 May 2000

■ MEERA SETH

ADIP Arya was disconsolate. Plan Revamp, the system he had partly engineered, and put in place painstakingly four years ago, was today being torn to shreds by the new director of operations of Mebrisk India, Kevin Mathais. To make matters worse, Kevin had asked Adip: "Why have you done this? What did you save?"

They had debated it for three days. The verdict was that the Rs 17 crore which the company had spent on Plan Revamp was unnecessary. Uniquely, at the end of the three days, Adip could not fault Kevin's arguments. Worse, he even conceded that the old system could work, albeit with some changes.

Confused and troubled, Adip met Hemant Trivedi, his boss and general manager (commercial). "How is it that I did not think about it?" he lamented. Hemant smiled. "Such is change," he said. "Three years ago, could we have even thought about getting yesterday's sales and stocks position in by today morning and at every location? It was unimaginable! Today, you have forgotten what it was like not to have information in real time."

The events of the last four years flashed before Adip. It all



started in 1997 when operations and finance was taken over by Parthiv Vyas. Parthiv was bothered by the climate of competition that had seized the environment. More than that, Parthiv, who came from an entirely commercially-driven environment at Delaware where he was general manager (operations), was irked by the virtual inertia of commercial at Mebrisk. The tug-of-war that raged year after year between sales and production could have been prevented if only commercial had been proactive, he felt.

Almost immediately Parthiv told his team: "I am going to change you from being bean counters to businessmen. First, I am going to question everything that you have been doing all

these years. What is our working capital doing for us?"

They went through a nerve-racking exercise, at the end of which, Parthiv declared:

"I want a zero or negative working capital. And this is how: one-month credit from the suppliers, a business cycle that is less than a month, and before you have paid for the raw materials you should recover money from debtors, thin stock positions, say, three to four days, to allow for transit time and you will be making money out of thin air."

Parthiv ran a fine toothcomb over every activity in the supply chain. Arduous debates later, he said: "I will ask my vendor to supply me on a just-in-time (JIT) basis. Every morning, every factory must be able to tell the vendor what it plans to make in the next three days, and that is what the vendor will supply. But at every factory, the mantra for inventories will be JIT." On the distribution side, he found that the production plan was not in sync with the sales plan. Parthiv blamed the performance parameters of the factories: man hours per tonne, machine hours per tonne and idle capacity reduction. So, the factories produced what they desired irrespec-



**Kevin's verdict:
the Rs 17-crore
Plan Revamp was
unnecessary. Adip
could not fault
Kevin's arguments**

tive of what the market needed, while proudly displaying never-before rates of man hours per tonne.

And how did they do this? Irrespective of stockpiles in their stores, they produced what was good for the health of their performance indicators. "No wonder your closing stock of finished goods is made up of mostly large packs, while sales demand stands unmet for smaller pack sizes," pointed Parthiv.

Annoyingly, no one would take ownership for the unsold stocks. The sales team said they had not asked for it. The production department said it was exactly as per plans. And the difference between sales forecast and actual sales was usually 60%.

But these forecasts became the template for everything that transpired at Mebrisk, for production planning, ordering inventories...

The whole pipeline got disrupted, and, consequently, everybody pitched for higher safety stocks. "Can you see?" asked Parthiv. "One frantic phone call from Dibrugarh for 1,000 1-kg packs of cooking oil invariably sent the whole system into convulsions, resulting in frenzied stock movements from one depot to another, from one factory to another and unscheduled ordering of raw materials. And the unbeatable explanation for forecasts? 'But the markets are so dynamic!'" mimicked Parthiv.

"And you commercial men should have blazed your radar on the factories and examined why they did not carry stock as per forecasts!" said Parthiv. The resistance to changing the production plan was endemic in the system, from the factory manager who watched his machine hour per tonne to the workers who watched their bonus for delivering a certain productivity, which was measured in man hours per tonne. So, everyone resisted change.

PARTHIV was demanding a paradigm shift. "What I found is, if the sales forecast reached on time, it was incorporated into the production plan. If it did not reach by the fourth or fifth day of the planning cycle, production plans went ahead on their own. Naturally. So the first thing to do is to connect everybody — factories with depots to regions to head office." Permissions and sanctions simply fell in place as Parthiv ordered every location to be provided with V-Sat connections at a huge cost, wiring the entire company across the country. The result was unbelievable. The information on stock levels reached head office every morning.

Parthiv went on: "If I have to plan production for tomorrow, I must have data today." Gasps blew across the length and breadth of the company. The men's room mantra went: "Parthiv has flipped it."

Truth was that he hadn't. Data flowed in miraculously, much to the amazement of the team which slaved on it night and day. Parthiv's vision stayed: everyday's production had to be planned. Nothing would be produced if it was not planned. In other words, he was going to reduce the production planning cycle from one month to one week, and eventually, to one day.

He did not stop at that. The company had a mix of products and pack sizes that were either slow moving or fast moving. Since demand varied erratically for its hygiene products and ready-to-cook products, it created bottlenecks in the production and trucking plans. It was worse in the case of small volume



items like talcum powder. Thus, for instance, if he had 15 stock points in the country, then talcum powder had to be stocked at these points. The transport logistics demanded that a full truck be sent. As a result, the factories dispatched 150 tonnes of talc, when, in fact, the annual sales was just 22 tonnes. "That means we produce and stock eight times!" said Parthiv.

Parthiv declared that it made sense to manufacture the entire year's need of slow-moving products and dispatch it to the zonal stock points (ZSPs), which he was about to set up. That way the production set up and re-set up runs were minimised.

Rather than ship the entire production to the various depots, which usually resulted in uneconomic trucking loads, or large stock piles at every stocking point, Parthiv suggested the setting up of ZSPs which would carry each zone's needs of the slow-moving items. If such items were sent to the stockist, he would end up carrying more than his weekly requirement of the item and that was deemed cost ineffective. Therefore, such items were sent to the ZSPs and held in stock from where the dispatches could be made to the stockist based on his demand. So, ZSPs were set up and systems put in place. These would operate on a replenishment basis.

THE same system was put in place for faster-moving items like hygiene care. Whatever the stockist sold of these high-volume items each day was replenished the next day. As for the factories, one single objective was placed: "Everyday in the morning you will get a dispatch plan. You will merely dispatch and plan your next day's production plans." The sales branches were assigned a volume target, but he also demanded accuracy of forecasts.

And, thus, it went on for two years, to everyone's joy and profit. The plan was successfully executed, stocks were in sync and the old tussle between sales and production stopped. The factories got used to several changes to their production plan and, in fact, enjoyed the challenge.

Better still, working capital, which was 33% of turnover, came down to 3% and soon nil. In short, the new supply chain system was a work of art.

Then came January 2000, when Parthiv left to join the dot-com bandwagon. Kevin took over and the unexpected happened. After a month of patting the boys for winning the Y2K war, Kevin turned his sights on Plan Revamp.

Soon after joining, he said to the commercial team: "This is too high a cost to pay. Additional space cost of the ZSPs and the entire system management cost is prohibitive. I don't think

anything has been achieved."

"But look at the working capital savings!" said the commercial team.

"That is manageable in a different manner," said Kevin. "Can the production logistics not be changed? Can't the truck loads be rationalised differently? Let the factory worry about what to produce and when to produce, let it do the logistics, the dispatch mixes. For example, if the factory at Pune is supplying jams to Nashik, then typically, the Nashik stockist's godown could be a conduit for dispatches to the stockists in Maharashtra. It should be the point at which load mixing takes place for other depots in western India. So why have ZSPs?" And he went on to detail a very complex but tenable argument for his case.

"Likewise," he went on, "factories can produce the low-volume items in bulk, that's okay, but there is no need to stockpile these items at the ZSPs. Move it to the stockists directly and hold them there." In short, his objective was: shift stock-keeping back to the factories or to the stockists. Move production planning back to the factory, which will decide what and how much, and accordingly, shipments will take place; it will not work backwards. Sales will not tell production what to produce.

In essence, Kevin was reverting to 1997. Sizing the mood, he said: "Plan Revamp is pointless. Moving stocks from factory to zones is pointless. Stocks can be produced in bulk, but should be stocked at factories. In fact, if I have reduced working capital, and stocks, I should also reduce space." Turning to Adip, he asked: "How in the world did you agree to Plan Revamp? What have you saved?"

What had changed was the comfort level that IT had brought into Mebrisk. Over time, it had changed the whole paradigm of running the business. "Then you discovered IT," said Kevin, "and put together a change. It may have reduced the chasm between sales and production plans, however, your working capital savings are illusory. For all it had done was to shift the stocks from the factories to the zones."

Now in less than three years, they were moving three steps ahead. As Hemant now said to an agonised Adip: "Today, a factory and a depot are so well-connected, despite some being in remote places, that we don't need anyone either from Bangalore or Uttar Pradesh to speak to each other. The system will tell them what to do."

You don't need a manager in UP to monitor it, you don't need an officer in Ludhiana to chase trucks, you don't need the marketing cell to grope around watching slow-moving items. The factories and stockists today are well-connected and wired, they can handle it independent of head office sleuths!

The problem is we have never used IT at this level. Certainly, not in the sales and stocks system," ended Hemant.

However, for Adip, life was changing so fast that he was unable to even stop and evaluate his iterations.

Hemant went on: "In 1997 e-commerce came to us from a foreign consultant. So we said, to internalise the value of e-commerce, we must do all this. But what we missed was that it is not the new system that is reaping results, but a new way of managing via e-commerce. We have just stepped on the learning curve from an era when we did not have the tools to put a viable system in place."

"Early man didn't wait for James Watt to fire the steam engine to cover distances. He used the wheel, the horse, and I'd say that's what prompted Watt to think steam"



"Creating a system that can capture sales and stocks, churn out data and information is possible for most organisations. But it is only when all this is woven into a communication system that can network all the data points, and move the data back and forth, that we have intelligent, useful, actionable information everyday.

"As a result, we can create a more meaningful and result-oriented supply chain system as is being suggested by Kevin. Yet, who knows? Three years down the line, even this may appear inefficient!

"Today, things have become so dependable and easy that you can revert to the factory-driven planning and production system. But that is viable only because you have a communication system which is so strong that you can make sure that factory and sales do what they are expected to do.

"Today, your information system and network is so intelligent that when a stockist sells something, the data simply goes and sits in the factory system. You don't need any of the old intermediaries to hound, watch and holler. Everything is online and immediate. So, we have the software, hardware and the communication networks to make it possible."

ADIP was not consoled. "That makes me look like a joker!" he said. "Kevin's argument is fair, but how do I justify my 1997 decision? For me to explain to him the situation that was prevailing in 1996 was difficult. I told him we were producing one thing when we needed to sell other things. He was amazed. Here is Kevin, five years younger, 10 years smarter, speaks in bytes and chips. And he takes one look at my Plan Re-vamp and gasps!"

Hemant pressed: "He has come to Mebrisk when everything is available. He has come after the entire country has been wired. He finds it difficult to comprehend that as recently as the late 90s, fundamental stuff like daily sales, daily stocks, who is sending what and how much to whom, etc., was not possible. That until 1997, we had seven managers chasing truck routes, looking for trucks that had left the factory four days ago and not reached the depots! Yet, there was always tremendous activity. But no optimality."

"The difference between Kevin's surprise and your embarrassment is IT," said Hemant gently. "And it is a difference of just two and a half years. This change is terrific for organisations. Maybe Rs 17 crore went into it. But are we saying this was a waste? If it hadn't happened, would this whole revolution in IT have happened at Mebrisk? These are what I call step changes. You can't reach level three without traversing level one or two. If the 1997-2000 period had not happened, we wouldn't be at this stage of evolution today.

"In the 80s, when we hired a consultant to devise a system, we expected it to last 10 years at least. That was because the environment did not change a great deal, did not demand so much agility from companies, competition was not so sophisticated and intelligent.

"Today, smaller companies have the nerve to invest Rs 15 crore to wire up the whole country and every retail outlet, just to be able to know who sold how much.

"Recall 1984 when the first batch of computers came in. What did we say? Rs 1.8 lakh per PC? No, no, too much money!



The difference between Kevin's amazement and Adip's embarrassment was infotech. Without it, the managers would have moved on without learning

Don't forget that, too, was an opportunity to move over to more sophisticated methods, which we bypassed. Yes, we had a 1406 mainframe, but it did not proffer the ability that we could have had with PCs. Again, that was an era when it was not even conceived that PCs could lend sophistication and agility. By the time we invested in PCs it was 1990. We lost five years of learning, because it was only in 1990 that we started experiencing a more agile and efficient operation in a number of areas.

"So it is like this: the difference between having made this change three years ago and not having done it, is similar to what we lost by not embracing the PC culture in 1984. You must change with technology, that is how you learn to appreciate the change and decide in what direction you want to grow.

"I'll say the direction of your growth becomes a choice available when you are willing to enter the tide and be tossed around. It does not happen by standing on the banks and waiting for the tide to change.

"Even today what are they telling me? 'Listen, wait, *naya package aa raha hai*, it will be Y2K compliant, it will be all comprehensive,... *abhi ruk jao*.' But you have to jump in at some stage, spend the money, learn, reiterate, spend more money, modify, revise,... only then the learning takes place. Early man did not wait for James Watt to fire the steam engine so that distances could be covered. He used a crude version of an angular plane, the wheel, horses and I'd say that's what powered Watt to think steam.

"Today, we are wiser. Having done it four years ago, we have realised what is possible. But if we hadn't done that, a generation of people would have moved on without the learning. And they would have reached a stage in their evolution when the change would not have impacted them. And as many people who participate in this start appreciating it, start thinking like James Watt and contribute to new thinking.

"The environment is never going to be static. You have to start somewhere, either 1997 or 2000. Those who adopted the change in 1985 made wise changes in 1990, those who made the change in 1995 will make wiser changes in 2001 and those who didn't will battle those who have adopted change, then concede, then start learning in 2001 by which time others have covered bigger ground."

Patting Adip on the back, Hemant said: "Don't fret. It's the price we pay for evolution. If this opportunity had not been participated in, it could have created serious lapses in our strategic thinking. Today if you can ask, 'why didn't I think about this?', it is because you energised your mind once to think differently. If you hadn't, you would not be perceiving the difference today." ■

ANALYSIS I: SAURAV ADHIKARI

Shaking The Foundation

Saurav Adhikari is the president of HCL InfiNet, an ISP operating in the B2B and B2C space.



DINESH KRISHNAN

THE e-commerce era arriveth. Poor Adip Arya. Little did he know that operation revamp would cause a turbulence that would reverberate across Mebrisk. Actually, there is little to fault Adip Arya for. Nor Hemant Trivedi. Nor Parthiv Vyas.

In fact, I would fault Kevin Mathias for his roughshod ways in introducing his e-commerce initiative. In fact, had Mathias seriously dwelled on the historic basis for operation revamp, he would have found little conflict between Vyas's initiatives and what he was setting out to do. In fact, it is my contention that Vyas laid the basis on which Mathias could subsequently build on.

Let us quickly look at the issues in this case of operations revamp at Mebrisk:

- First is the critical issue of the production — sales conflict and the wide variance in the sales forecast — plans.
- Second, the issue of productivity measures at the factory level — and lack of inventory level measures at the sales end.
- Third is the issue of the Rs 17-crore investment in V-SATs and communication infrastructure to drive operation revamp.
- Fourth, the immediate benefits of a tight process re-engineering covering the entire supply chain.
- Fifth, the change of guard from Vyas to Mathias, coinciding with the e-commerce revolution.

I will try to answer these issues not necessarily sequentially, but in support of my previous contention that Vyas laid the basis for the e-commerce initiatives to follow.

The e-commerce wave has rolled out at a relentless pace worldwide. Unlike physical assets and technology which require long lead times and absorption rates, IT can be more easily configured into a company's operating structure, subject, of course, to the willingness to change.

The paradigm shift that Vyas engineered was significant. He shook up a lethargic system and made it an accurate forecasting base model.

Too much has been made of the mystique of e-commerce. In reality, e-commerce is nothing more than commerce transacted over the Net using all the capabilities that existing hardware, software and

connectivity that comes with it, which enables business to be more responsive to the entire business cycle.

Today, a business is no longer seen as individual elements comprising sales, marketing, production, logistics and finance, as part of the internal enterprise. Nor are suppliers, transporters, warehouses, distributors seen as distinctive elements of the external enterprise. The concept today is of an integrated extended enterprise where all elements, both upstream and downstream, are linked into one chain using a host of IT applications such as enterprise resource planning, supply chain management and customer relationship management (CRM). Even the consumer today gets linked into the extended enterprise with CRM, thanks to the power of the Net to seamlessly do all this. This phenomenon was not forecast by many enterprises even in the mid-90s. Witness the moves by many large corporates including General Motors and Ford, who are Web-enabling their busi-

ness so as not to be washed away by the tide of e-commerce. Yesterday's decision for many of them seems irrelevant, if not antiquated, in the context of the Net economy.

So what did Vyas do right? First, he brought a sense of discipline into Mebrisk's planning cycle. A difference of 60% between sales forecast and actual sales is unacceptable and reflective of lax management. The fact that the production team could go ahead and produce irrespective of market needs just to meet man-hours-per-tonne criteria is patently absurd.

Second, Vyas introduced productivity and incentive measures that were in tune with the requirements of business. Producing to plan and forecasting accuracy within plus-minus 3% was essential. Without this basic alignment between production and sales, two commonly antagonistic departments in every corporation, no progress

could be made. Thirdly, vendors were put on to just-in-time as an integral basis for planning and working capital reduction.

Fourth, he invested Rs 17 crore in V-Sat connections. This linkage allowed free and easy flow of data leading to high accuracy in the planning process. In fact, this laid the basis for the e-commerce data flows that Mathias was to inherit in Y2K.

Finally, and most importantly, the paradigm shift that Vyas engineered at Mebrisk was his most significant contribution. He shook up a lethargic system and made it work. And what did Vyas do wrong?

The only accusation could be that he did not automate or Web-enable the sales, logistics and production systems. However, logically, this had to happen over time and only after the business process had already been reengineered.

Today we take Virtual Private Networks and enterprise-wide software for granted. At the time Vyas was trying to introduce his

The paradigm shift that Vyas engineered was significant. He shook up a lethargic system and made it an accurate forecasting-based model

changes, it may have been inappropriate to introduce these without a sense of discipline. Despite wide availability of software, forecasting still remains the domain of sales managers, as subtle changes in market trends and demands cannot be forecast with accuracy without the correct inputs by software. As we know, good input leads to good output.

What Mathias shook Adip Arya with was a historical progression from the era of system-driven enterprises to software and e-commerce-driven ones. If only all of us have the ability to forecast the future with great accuracy we could all be visionaries.

Vyas, in my opinion, laid the basis for the e-commerce initiatives that Mathias found so easy to initiate in a more disciplined Mebrisk. Bravo Vyas! Good luck, Mathias! And Adip, you don't need to fret. Enjoy the e-commerce era. ■

ANALYSIS II: V.V.S. MANI

A Step In The Right Direction

V.V.S. Mani is associate vice-president (management consulting) at Siemens Information Systems.



In a large number of organisations, when decisions pertaining to information technology taken a few years back are reviewed in today's context, many appear to be wrong or inadequately appraised. This is largely due to significant growth and changes in technology, combined with substantial reduction in prices of IT products, brought about by intense competition in the market place.

What is required is a shift in the traditional way of appraising investments in IT.

The 'engineering' mentality of appraising projects has to give way to one that evaluates, *inter alia*, non-quantifiable benefits that accrue from investments in information technology. Decision-makers in most organisations are neither sensitive enough to understand IT — its capabilities and limitations — nor are the IT personnel savvy enough to comprehend business requirements and their nuances.

Mebrisk is not an exception. Three years ago, while reeling under competitive forces in the market, it felt the need to improve its operational efficiencies. The supply chain, the backbone of Mebrisk, was handicapped by an inefficient forecasting system (which was the basis for production, procurement and stocking decisions), delayed availability of data on products and stocks, and a misaligned performance measurement system for the factory (the measures had no relevance to satisfying customer needs).

Surely, considerable amount of time and effort would have been spent on resolving inter-functional conflicts. The results were there for anyone to see: significant forecasting error, mismatch between market requirements and inventories and an inflexible attitude at the factory. What was required for Mebrisk was a system that provided information on all the relevant supply chain parameters, perhaps, on a real-time basis, which would provide:

- A common database for all functions/departments to aid decision-making and resolve inter-functional disputes.
- A flexible manufacturing set-up that reacted fast to the market and is not constrained by manufacturing efficiencies.
- A shortened planning horizon. It would reduce the ill-effects of forecasting errors

and let managers concentrate on value-adding activities rather than 'chasing' data.

The experience of integrating IT into the main business is the most valuable benefit gained from earlier investments.

Parthiv Vyas, the man who took over the operation and finance function in 1997, recognised the needs of the company correctly. As a pre-requisite, all the depots, factories, regions and the head-office were networked. Vyas changed the method of planning, realigned the factory performance measures to be market-oriented, and created buffer stock points to take care of product-mix variations. His decisions were proved right by the fact that stocks were in sync and the working capital reduced from 33% of turnover to 3%, which is very significant, and the production function became flexible enough to meet market requirements.

The decision about creating separate zonal stock points may be questionable but the project was definitely a success. The in-

vestments in IT for this project was quite significant (Rs 17 crore). But then, the benefits justify it. Looking back after three years, the investment in the project appears to be high. The price of enterprise resource planning, for example, is about 50% of what prevailed four years back. Should this mean that organisations need to wait for three years to take any IT initiative?

Three years is long for an organisation in a rapidly changing market environment. The benefits that have accrued in terms of improved supplies to market and reduced inventories justify the IT investment. While these are quantifiable, it is important to understand and appreciate that Mebrisk has built the capability to become market-oriented (and not manufacturing-dictated), to use new technology and weave IT into the main fabric of its business.

Now Mebrisk is capable of further forays into the use of IT. It is the experience of introducing, familiarising and integrating IT into the main business, which is the most valuable benefit that has been gained from earlier investments. IT has not been left as a standalone cell engaged in processing data.

The next initiative will be to look at e-commerce based on Net technologies, which offers an exciting cost-efficient supply chain models where trading on the Internet is child's play with benefits of speed and almost zero cost of transactions (barring physical movement of goods). Unlike most firms, Mebrisk has the experience in dealing with organisation-wide changes, and e-commerce is one of them.

E-business helps organisations operate at a never-imaginable rate of agility. A critical question: when should a company go in for e-business? Option one: the market is highly dynamic and hence, the responsiveness of an organisation requires e-speed. Option two: the market is not that dynamic

The experience of integrating infotech into the main business is the most valuable benefit that has been gained from earlier investments

but company e-enables the processes to set new rules in the market and gives customers more than what they expected. Either of the alternatives requires a high level of change management, more so the second option. With experience behind them, Mebrisk has developed the capability to manage quantum changes. Hence, it can leap into the future with a high level of optimism.

Could Mebrisk have adopted e-commerce initiatives had they not gone through the first phase of change? Difficult to answer with certainty, but based on the experience of large and mature (old) organisations, one can boldly say the risks of failure would have been far higher and hence, the costs too. The leadership organisations are those that set the trend, albeit at a higher initial cost, but that is a small price to pay for long-term success.

Thinking Small, Sinking Fast

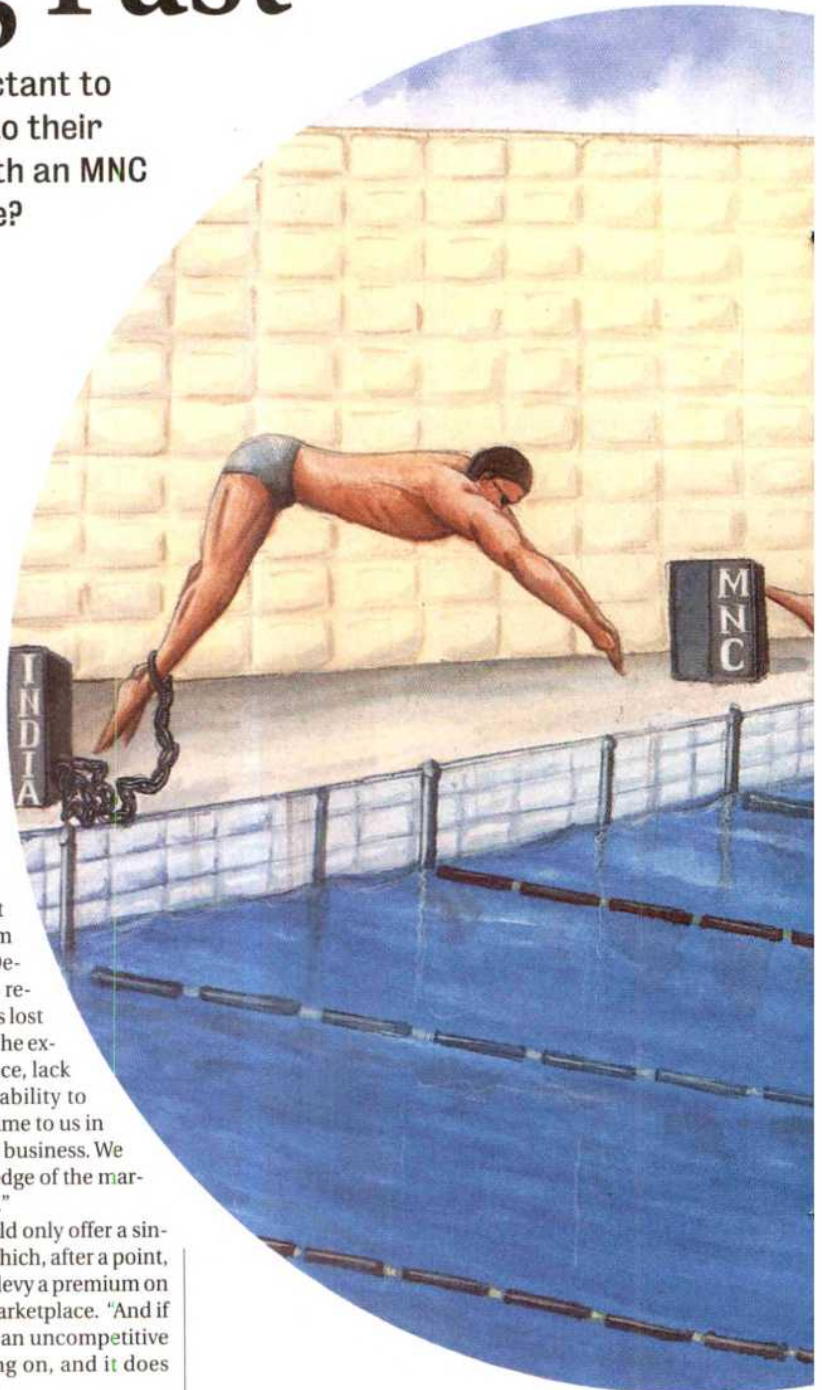
Are Indian service firms reluctant to think big and pump money into their ventures? If so, is a tie-up with an MNC the only way they can survive?

This case study was first published in BW, 11 June 2001

■ MEERA SETH

A NIRUDDH Wari heard with interest the mini-presentation that Deven Das, friend and ex-colleague, was making on his proposed consulting business. At 7 p.m., the two men were seated in Aniruddh's office at Telgray India, where he was director, business planning. Until four years ago when Aniruddh joined Telgray, he was an associate director at Atlas Consulting, a management consulting firm that had once surfed the crest in its industry. Deven Das, a director with Atlas, was planning to resign and start his own consulting firm. "Atlas has lost speed and verve in the face of foreign entrants," he explained, "because of technological obsolescence, lack of financial capital and also because of an inability to think big. Had we tied up with the offers that came to us in the last 10 years, it would have helped save our business. We had high-quality manpower, talent and knowledge of the market, but today we are losing all our good people."

Fighting shy of tying up, firms like Atlas could only offer a single USP — knowledge of the Indian market — which, after a point, lost relevance. These new entrants were able to levy a premium on their quality and raise the price points in the marketplace. "And if you are at a lower price point, that puts you in an uncompetitive slot," he said. "I don't see much point hanging on, and it does make more sense for me to set up on my own."



"It's a pity, isn't it?" said Aniruddh, recalling his own tussle with Atlas before he left. "Yes, the era of services is here, but the success standards are exacting. I say this sitting on the other side as a buyer of consulting services. Many service firms have plateaued pitifully or sold off, because it seems Indian entrepreneurs are unable to match the standards."

"I have at least six clients who will move with me," said Deven, "and so will the boys who are working on them."

"And you think you can match the salaries?" asked Aniruddh. "Not just salaries, Deven, you also need to think of investments to retain them. Like training. It's not easy, let me tell you. I would advise that you look for a foreign partner."

Deven was surprised. But Aniruddh had seen a number of Indian firms go under since the mid-90s. The most startling experience had been Atlas itself, which had the size and volume to take corrective measures but had failed to do so. Many other firms were not steered smartly or quickly enough for the change process to gain credibility. "Remember Kshitij Kashyap?" he asked suddenly.

In the wake of liberalisation Kshitij had been the first to leave Atlas to start his manpower development firm. "For the first five years he was okay," said Aniruddh, "then the big names in executive placements and strategic human resource management such as Egon Zehnder and Korn Ferry entered India. Initially, everyone said, 'What are they offering that is so valuable? What's the big deal about head-hunting? You need to be well networked that's all'. But these new firms brought in a higher order of strategic input and raised the standards of executive search."

"Today, companies talk only about these big names, and Kshitij is struggling. In today's context, companies want to develop global standards for global competitiveness. This means that you, the vendor, need to bring in that ex-



**In today's context,
companies want
to develop
global standards
for global
competitiveness**

pertise to take you to that level. And we have seen that that is not possible alone. The important skill that these companies brought in was global technology and a definite structure and order to their solution engineering and implementation. The Indian counterparts were able to design fabulous solutions but the packaging was not convincing. Neither was the selling of the solution. Often, if clients resisted tough solutions, Indian firms tended to soft-pedal to keep the client.

A systematic approach was what led to developing good products, felt Aniruddh, and that is where Indian companies were not competitive. They were intuitively bright, they had method, but it was not structured and not scalable; where the foreign companies had mastery was in their tight structuring and systems.

"A few Indian firms have it, but they haven't invested in the software of the business. They keep minimising investments and work out of cash flow. This is a very Indian habit. This whole inability to think big, the emotional inability to invest in the softer side of business, like training, a good-looking office, comfortable work environment, smart stationery — these are considered superfluous in the Indian ethos. Unless they see an immediate return, most Indian firms will not invest."

"And that is what you need to think about and build into your plans. Services is not just 'setting up on my own' because you cannot enter this sector — not any more — with the experience of firms like Atlas. Those standards don't wash today. The service sector demands a totally new scale and new standards."

"Take a look at any of the consulting firms that have entered India. They know they will not make profits the first few years, they know they will have to learn about the market, but they hire the best professional team, and that is how they build their practice. Many have even managed to lure senior men from the manufacturing sector. In contrast, look at the Indian firms — take even the new ones started by people like you — they start off with one or two people, with a plan to gradually build up, but they won't start with a solid team. As a result, they are unable to offer full service to clients; for example, they will have terrific systems talent, but they cannot offer IT support because they have not deemed it critical to invest in that up-front. Or they will have a strong marketing team, but not one person in it who has credible supply chain or distribution skills. That requires investment. Today, you want to start your firm with four people, but you can't expect to make a practice grow with that number! And you have to pay them a good salary for at least six to eight months until they start generating income or a return. Can you think like that?"

DEVEN listened attentively, as Aniruddh continued, "Why, as recently as four years ago, before I left Atlas, Navin Bhalla, the strategist at Wegger India, was starting his own firm, and he asked me to join him. I knew he was terrific. I knew companies would flock to his door, but he was telling me: 'Join and grow'. He wanted me to join at two-thirds the salary I was earning. I did not accept the offer, because I could see he was not thinking big. I asked him, 'If you are so sure this venture is good, why aren't you putting in more?' 'To start a successful practice, you need the ability to think big, find the right people — not just old familiar hands, and make a credible offer."

"The difference between a McKinsey entering India and a

Navin Bhalla or Deven Das setting up his consulting hotshop is this: for McKinsey, India is an entry into a new market; for Navin and his ilk, it is starting a business. You are entering a business. On your own, you do not have the capital, so you can't invest in the right grade of people. I don't mean that we do not have good people, of course, we have talented professionals; where else did McKinsey, KPMG, PwC, and Zehnder get their men from? All their managers are made-in-India. But the difference is the ability to court the big time. To pay big salaries. What you pay indicates how big your ambition and drive is.

"The other drawback: if you don't have money, you don't invest in training. If you don't do so, your products don't develop and your people don't develop. Then, after four or five years of enthusiasm, you become obsolete. Because you did not upgrade, somebody else with a bigger vision entered your category, which your client now finds more relevant to his needs.

"It starts with the financial capital, the ability to think big, and to have a far-reaching business plan. We don't do that. We don't even start business plan. We don't do that. We don't even start with a business plan of any magnitude. Sunil Wadhvani, a successful US-based IT man, said this at a CII forum: 'As Indians, we have a fear of failure, and therefore, we don't do things; and we have this inability to think big. I see business plan after business plan from entrepreneurs in the US who come to venture capital firms for funding, and I think they are risk-happy. Their projections are so crazy, you need to caution them. On the other extreme, in India, there is no stretch, no aspiration! If you have aspiration, for heaven's sake, pump in money.'

Deven was thoughtful: "I know what you are saying, but I plan to invest in stages," he said. "After all, I have to see how this shapes up..."

"This is exactly what I mean," said Aniruddh. "There cannot be any half-measures to thinking big. Aspire big, and the rest will happen! You want a business size of 100 million in five years, then put in 10 million today! That is how that 100 million is achieved."

Deven laughed. "It's easy for you to talk in millions, sitting in an MNC office!" Then on a more serious note, he said, "You know, it has a lot to do with our cultural drive. We are from a poor nation, we have all grown up with constraints; we have seen caution, an inability to spend huge amounts, not just as individuals, but also as a nation. Therefore, there truly is an inability to spend lavishly, towards ambitious targets or even dream big. The US is a much more robust economy and has been thus for the last 100 years! That's what gives its people confidence!"

"What you are saying is a Vedic kind of thought," said Aniruddh, "in the sense, it's said that where there is abun-

dance, abundance breeds. I suppose that is intrinsic to the nature of money. You have to derive from that your organisational or business messages. That the more I put into the business, the more it will churn out. "Cultural backdrop is a given, but for how long? Someone, somewhere, has to break the circuit. As long as you are a part of it, you do not know any different. Working with an MNC, I can see the difference in attitudes — because on the outside, the external environment has changed. It is demanding abundance. So, to bring in the energy of the external environment, the current circuit has to be broken or stepped away from."

D EVEN agreed. "And because we Indian entrepreneurs are unable to break this circuit, the market is ripe for being taken over by those outside," he said. "I am reminded of a story that was written about the big business magnate, Aziz Currim. Apparently, he was at a five-star restaurant with his son and his order had not arrived even after half an hour. He was about to call the manager and say his piece, when his son stopped him, saying, 'Dad, let it be...' and what Currim said was classic: 'If I let it be, this restaurant, the whole hotel will be taken over by a more fleet-footed MNC. It is this inhibition to change that leads to most takeovers.'"

"Spoken like a true-blue consultant!" laughed Aniruddh. "the point is, takeovers do not happen to companies with small sales, but companies with small attitudes. We have seen this so many times. The Indian player starts being a niche player because he has not grown in attitude to enter the progressive league; then he rationalises, 'I can make do thus for another 15 years, I will have just a few good solid people working here.' But that's a Catch-22 situation, because if you are not top-of-the-line, those good, solid people don't stay with you, they get trained by you and they they go off to bigger consultancies, bigger ad agencies, or bigger market research agencies.

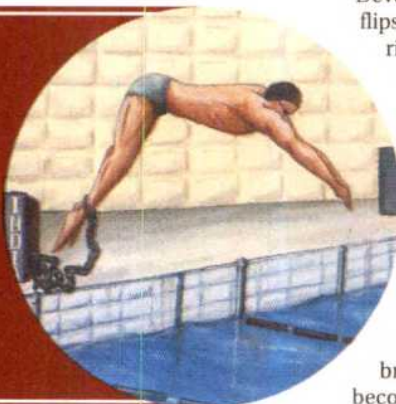
"So, if we say the inability to spend is a function of culture then it also explains our cultural fear of failure. Why do Americans not have a fear of failure? If they fall in one dotcom venture or IT venture, it is not the end of the world for them. It's not true that they don't worry at all; they do worry, but not so overtly that it clouds their vision of the future, the next phase, the recovery cycle. Failure pushes them to try again with gusto, they start something else. Why? And this is important. The whole ethos of that culture, that nation, is such that it does not frown upon failure. Whereas, in India, if you fall in business, it is a matter of great shame. It becomes a social taboo. A lot of it, therefore, keeps coming back to the ability to think big, and that, unfortunately, is shrouded in culturally-derived emotions."

Deven agreed again. "Very true," he said. "For the flipside of shame is that we, as a people, do not glorify effort. We glorify events, we glorify success.

Yes, we do glorify successful people who came up the ladder after making mistakes. But that's because they succeeded. During the moment of failure, we condemn them. We laud a child who scores 98% but condemn a child who puts in 100% effort and gets 70%. There is a complete disregard for processes."

"Part of the process is the ability to envision, to invest, to train people," mused Aniruddh. "That's how the firm grows home brands in people and products. Otherwise, you become like Database Research. Chandra Lazarus

This whole inability to think big and the emotional inability to invest in the softer side of business, like training, a good-looking office,... this is a very Indian habit



started this market research firm 20 years ago. He had the vision to see the need gap and invest in it. It grew well, but as competition came in, he realised he needed to smarten up. So he tied up with a foreign research agency and got marketing models from various international firms. But none of these products are his own! So, even in research, where India was further ahead than in other fields, there isn't a single research firm of merit that does not have international input!

"That's repeated in financial services. To succeed here, you need to be a strong Indian brand name that has credibility and trust. In the Indian financial services sector, one of the biggest criteria for selecting a service provider is trust, be it banking or mutual funds or a stock broker. The companies that clearly top on trust are ICICI, HDFC, Tatas, Birlas.... Either public sector companies or old industrial houses whose names are synonymous with trust. Besides trust, you also have to provide excellent customer service. But none of the Indian firms are able to do that without a foreign partner. So, in mutual funds, ICICI has tied up with Prudential; in insurance, HDFC has tied up with Standard Life; DSP has tied with Merrill; JM has tied with Morgan Stanley, and so on.

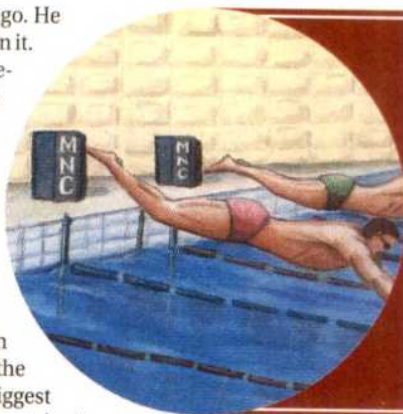
What has the Indian counterpart brought to the table? Knowledge of the market, and in the financial sector, trust. Yet, we see that just trust is not enough. Which is why they have to tie up with a foreign partner for those skills they don't have — money, capital, ability to think big, training, a menu of products, and critically, the overall designing of the business: putting all that in a coherent order, weaving in an attitude that enable continuous customer focus, product-mix focus and staying high with the economic changes."

"A partnership may have its advantages," said Deven, "but what I am struggling with is this: what is it that makes a tie-up more saleable? Okay, so a tie-up does end up having a positive rub-off in the public mind so that the moment you say that DSP has tied up with Merrill, there enters an all-new aura of quality and professionalism, and DSP starts looking better. The trust is now better packaged. It's both the feel-good and the technical aspects. But is that all?

"Navin Bhalla, Joseph Varghese, Chandra Lazarus, Kshitij Kashyap... and a hundred others like them, these owners and orchestrators of great firms who are individually stellar and professionally spectacular, what's missing in them? Each of them brings a lot to the business; especially phenomenal brainpower? Then why don't their organisations soar? The staying power and resilience, you say, will come from foreign partner. And the ability to invest. Or is it the ability to make wiser risks that a partner brings? Specially a foreign partner?"

"Resilience of two kinds," replied Aniruddh, "one when success doesn't come riding towards me, not to panic: not to lose heart. Because you have staying power. The second kind of resilience is when I have to pump in loads of money and it is not returning profits as fast, then the ability to know that the hard returns will come as the foundation builds up. Because you've got staying power."

"Time and again I fret over this seemingly unfair distribution of abilities and skills," said Deven. "We have such fantastic wealth in the likes of the people I mentioned earlier, then why do we still need a tie-up?"



Cultural backdrop is a given. But for how long? Someone, somewhere, has to break the circuit. To bring in the energy of the outside environment, the circuit has to be broken

"I have been thinking about this too," said Aniruddh. "Until now, we saw this Indian company versus foreign company kind of thing largely in the manufacturing sector. And we always compared and asked, 'Why is it that a Unilever has to come into India to set right the distribution or the quality, or the product strategy?' We said that about Nestle, about P&G, about Colgate.. any one of the MNCs.

What we do not realise is that we are not a country or economy with a services orientation. But for the hospitality business, we are yet to appreciate that service like a product like any other, and that in service products, your key is people and you have no option but to invest in that lavishly. We are now moving towards soft goods. Until now we did not value services, so we invested poorly in it. Today, services is the leading sector, and calls for A-class investments and attitudes. The service sector cannot mature or reap returns on a low scale, with small attitudes and limited definitions.

BE it research, head-hunting, hotels, or whatever, there is intellectual capital, talent and knowledge of the market, but we don't see Indian entrepreneur starting it alone. He doesn't have the ability to invest, and therefore, the staying power. Because of that, we see brilliant entrepreneurs-whom any international company would give anything to have on board—are not really able to build or make robust organisations that will last for 10 years.

"Because organisations are not made with merely brainpower. Brainpower is only one attribute of a successful service organisation. The rest — the feel-good aspect, the software, the structuring of the business, the business design itself — are what really lend you a competitive edge. Infosys is probably the one company that has all the right attributes of a solid service organisation and hence is very competitive. So, it is successful."

"It has a very good mix of people, some businessmen, some operators and some thinkers..." said Deven. "The point is," said Aniruddh, "that wasn't an accident. That is a part of business design. Narayana Murthy engineered the right business design-including the right conglomeration of attributes-while himself bringing the ability to think big; he thinks global, he thinks in dollars. Importantly he lets money flow freely within the business. What is going right with Infosys is the attitude to abundance. He allowed abundance to flow; he did not hold on to it or block its flow. The more you hoard, the less it will grow. The more you will release it and let it flow, the more it goes to creating abundance.

"So take your pick; either think big yourself, or bring in a partner who can think big," concluded Aniruddh.

ANALYSIS I: P. KESWANI

Atlas Shrugged

P. Keswani is director, A.T. Kearney, India. A Tata Administrative Service alumni, his previous assignment was as chief operating officer (business hotels), Taj Group of Hotels.



TRIBHUVAN SHARMA

THE key question the case raises is whether Indian service firms can create value and, therefore, compete as independent entities in the present business environment in India. My response to this is a qualified yes, provided the firm recognises, and indeed, capitalises on the new realities essential to value-creating and value-building growth. The firm must recognise that the critical success factors of the past no longer apply and that the new environment often dictates a complete change in strategy, processes and culture.

Pre-liberalisation, public and private sectors enjoyed the limited local competition that protectionist government policies permitted. Inefficiencies were glossed over, pricing was cost-plus or administered, the producer was queen and balance-sheet asset building was the mantra of the economy. Consumers existed only peripherally and often as a necessary evil.

Post-liberalisation, India emerged as a potentially exciting market opportunity for many MNCs. A service MNC has necessarily thrived in its home market before expanding geographically. The home markets were typically those where competition was fierce and world-class, the customer was queen, scale economies were applied and creation of off-balance-sheet assets (which included brands and ownership/access to customers, technology/R&D, patents and intellectual capital) where the key drivers to success. In the growth cycle of an MNC, success in the home markets is inevitably followed by geographical expansion, which is generally part of a rigorously-planned growth strategy and includes the ability to invest with a long-term perspective. As an MNC goes global, it institutionalises its learning of the cultures of different markets and leverages its access to a much larger market to withstand regional recessions and local negative cash flows.

Successful service MNCs recognise that investing in growth is ultimately value-creating, as it brings many tangible and intangible benefits. Value-creating growth makes MNCs exciting — it lies at the leading edge where markets change and new services, technologies and processes are introduced.

Innovation, risk-taking and geographic expansion fuel growth — successful MNCs break boundaries instead of respecting them. Global service firms continually redefine markets and, as Aniruddh states, also endeavour to provide end-to-end solutions to keep the customer 'within the fold', although some may focus on high-value niche opportunities when they can offer a unique capability.

The introduction of such an approach by MNCs, post-liberalisation, has led to a complete change in the rules of the game in the Indian market.

What differentiates Indian and MNC service firms are their objectives, and the structure and systems that support the utilisation of resources to achieve these objectives. While the business plan is often as good if not better in many Indian firms, the deployment and measurement/review of results is not.

With the increasing commoditisation of

done just this.

So what do Indian service firms which wish to succeed in the new global marketplace need to focus on? Obviously, on the key characteristics of value-creating and value — building growth — an exciting growth vision, sound leadership strategy, resource commitment, customer interaction and focus, employee development and attention to enablers (organisation, processes and structure).

Funds in today's capital markets follow firms which demonstrate that they have the right mix of big ideas, visionary leadership and a sound business design. Indian service firms that are agile in their response and institutionalise these learnings will benefit. In this context, Atlas is a clear example of leadership lethargy — nearly every MNC has faced and overcome similar challenges.

Aniruddh says that Indian service providers must offer global expertise and the only route to this is through a joint ven-

Successful MNCs recognise that their employees can make all the difference. They also understand that people are not assets as they can exercise choice

physical assets, successful service MNCs recognise that their employees can make all the difference. They also understand that people are not assets as they can exercise choice. Employee costs often constitute the largest component of operating costs. So the selection, induction, training, career planning and retention of their key resource — their people — is a vital leadership function. Happy employees equals loyal customers equals satisfied shareholders is an equation that is actually practised. Their business design leverages this approach with cutting-edge technology, continual investment in R&D, a succinct structure, proven solutions skills, scalability, and access to low-cost capital. As Aniruddh points out, Infosys is an Indian firm that has

ture. Indian firms also need to remember that joint ventures are generally marriages of convenience that continue as long as each partner derives benefits from the other's participation; and may result in the dominant partner subsuming the identity of the other.

Other options for knowledge development and transfer, including investing in R&D, training, alliances and technology tie-ups, must also be investigated.

Aniruddh's assessment of Indian cultural mores is perhaps no longer valid. The Indian baby-boomers of the 70s are less afraid of risk-taking than we were at their age. Unlike us, they intuitively recognise that today they have nothing to fear but fear itself. ■

ANALYSIS II: AMIT BOSE

What's The Big Idea?

Amit Bose is CEO, The Brand Company, a specialist marketing consultancy. He has 22 years of experience as a strategic marketer, working at places like Hindustan Lever, Pepsi and Mattel.



DEVEN'S dilemma is common to every local entrepreneur facing the challenges of globalisation. We are in the era of mega-size — the gorillas rule. Or do they? Evolution indicates that the bigger you are, the faster you become extinct. Remember T-Rex? The business world has mirrored this. Giants like General Motors, Phillips, Motorola, Xerox and Kodak, which once ruled the global business firmament, are struggling to survive. Success is not automatic for large global firms with huge resources. Those who invest money and people become big. Differentiating customer-centric idea are more likely to succeed.

The issue Deven faces is not whether he needs a foreign partner. Before he embarks on his consulting business, Deven must consider the following aspects:

The Differentiating Idea: Deven needs to define a big customer-centric differentiating idea for his consulting business. An idea that is ownable, scalable and delivers a competitive advantage. The dotcom failures showed that business ideas that were 'me too', irrelevant to the customer or downright stupid fold up, despite large amounts of venture capital and good people. Boo.com, the high-flying online fashion retailer, is a classic example. On the other hand, ebay continues to thrive.

It seems that Deven's primary reason for starting up his own consultancy is his dejection with Atlas. He doesn't seem to have done any research to determine if there is a market need for a practice of the type he is proposing to set up. Indeed, the nature of his consultancy is not clear.

Business Vision And Strategy: Deven must articulate a clear and coherent business vision. How big does his company

want to be? Should it be local, regional or global? How many practices should he build? How many industry sectors can he serve? What are his personal goals-legacy, wealth or cutting-edge innovation? Once these goals are defined, the strategic routes to achieve them will become clear.

Mindset: Aniruddh is right about mindset. Because of our past experiences, we often run nickel-and-dime operations. We day-dream of a large-scale operation but rarely articulate a big, compelling vision. We do not invest in hiring the right people or training them. In India, Reliance stands out as a shining example of stating big and bold visions, and then investing capital and human resources to realise these. In the service industry, Infosys and Satyam have shown the way.

Almost every successful entrepreneur anywhere in the world is fundamentally different from his employed colleagues. The entrepreneur passionately believes

whether he is cut out to be one.

Defining The Competitive Set: Deven needs to define his relevant competitive set clearly. The consulting space is full of players ranging from the Big Five (like McKinsey) to individual consultants. Many of the small players have made a virtue of their smallness and dominate their own market niches. Deven needs to do a segmentation analysis of the market to determine the competition set relevant to him. What are the gaps in the market? Is he competent to exploit those gaps? His strategy decision driven by business goals. Until Deven defines his business idea clearly, he cannot determine whether he needs a foreign partner is needed.

Will A Foreign Partner Choose Deven ?: Probably not. Deven has no business and no credibility. To get a foreign partner, Deven has to build a sizeable business and make his company attractive.

Conclusion: Deven is clearly preoccupied

Deven needs to define a big customer-centric differentiating idea for his consulting business. An idea that delivers competitive advantage.

that in his or her idea and then pursues it with the supreme confidence that comes from the belief in its success. He is rarely doubtful about the potential of his idea.

Deven does not display the burning passion of the entrepreneur. He is still trapped in the security of being employed. Aniruddh gives the right choice, but does not help Deven find solutions. Deven needs to talk to entrepreneurs to find out

with the wrong problem. His dilemma today is not about foreign partnership. It is what Drucker asked us all many decades ago: "What is the business we are (going to be) in?" If Deven does not develop customer-centric differentiating idea, he should abandon his plan to start his business. It will be better for him to switch jobs, and perhaps join a foreign firm.

On the other hand, if he does come up with a big differentiating idea, he will probably find that both money and talent will chase him. Today, capital, both financial and human, is available in plenty for an exciting business proposition and the right business leader. Even if he does come up with a business proposition, the final deciding question will be: "Do I have the guts to become an entrepreneur?" ■

Deven needs to do a segmentation analysis of the market to determine the competition set that is relevant to him. What are the gaps in the market?

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Four Men And A Megamerger

Stirred by Tulsi's sermon, EquiMore CEO Kapoor convinces his team and grants the roles to both Morris men. Six months down the line all four doubt their decisions...

This case study was first published in BW, 18 March 2002

■ MEERA SETH

BHARAT Kapoor hummed a philosophical number by Ghulam Ali. On the verge of making a really big decision in his professional life, he knew he had to put a stop to the dithering over the future of Shiv Bhatia and Babu Kamat. Kapoor had just returned from a 25-minute sermon by Tulsi Aiyar, former head of Morris Day. Tulsi was mentor to Shiv and Babu, whose lives were on the decision table of the partners of Equinox, the bigger firm which had merged with Morris to form EquiMore. The firm was trying to manage the change. And what Tulsi said had caused Kapoor to review his experience of the last few months.

As it stood, Tulsi wanted marketing to be made a key business practice at EquiMore, Shiv to head it as partner and Babu to be made a director. But the Equinox partners resisted and were not keen on making marketing a key business. When the matter did not get resolved, Shiv accepted an offer from McKinsey and sent Kapoor a message to this effect.

Kapoor recalled the frustration he had felt when he had received the SMS. He had immediately called Shiv for a chat at his place. Armed with packets of *pav bhaji* as a late night snack, Shiv had arrived, determined to nullify all antagonism between them and depart from EquiMore nobly. But Kapoor had surprised him with: "McKinsey is a great place to work, but I am not sure if it is a sensible career move for you. Since you are an EquiMore man, I feel responsible for your career and will not let you make a decision that is not sound from the long-term perspective. Personally, I

am convinced that the marketing business is a good thing for EquiMore, but let me be candid. Many of the partners are not convinced of this, based on Equinox' record in marketing."

Shiv said: "Our early interactions in the marketplace were a trifle



antagonistic. After all, we had our respective jobs to do. But now our combined firm has an even greater mass and credibility. With your support, the business plan I have in mind will be a winner. And my credentials as a partner in EquiMore will be strong. Yes, my coming from the wrong faction could be a show-stopper. And, again, your partners do not view marketing as a winning practice. But that is because they have seen the world only from the eyes of a follower rather than those of a leader. You can convince them with my financial projections that profitability will increase manifold."

Kapoor knew his partners were averse to that idea. But he didn't want Shiv to go without another try. So he said: "Can you come on board as the head of the marketing practice directly in my charge? If during the first year of the combined operations you can translate your record into success, you will be elevated, especially as the doubting Thomases would have been convinced."

Although this looked better, Shiv felt if all his years at Morris and his record were not enough, another year was not going to help. Also, at Morris he was like a partner; it was just that the organisation structures in the two firms were different. So he said: "You need to understand my position. If EquiMore is to have Equinox structures, then as the business head I have to be partner, like I would have been at Equinox. So if you can't give me partnership,..."

Kapoor didn't like ultimatums, yet he liked Shiv's soft but sure style. As an employer, that was the kind of grit he needed. But not at this juncture. Certainly not at midnight when he could not call a partners' meeting. So he said: "Shiv, I will hate to see you go. Can you give me just another week? I will let you know my decision by next Friday. You can keep the McKinsey offer on hold maybe?"

Shiv agreed. He knew Kapoor was being honest, even if indecisive. It bothered him that even at this juncture Kapoor persisted with his method of consensus. It didn't suit him now, but he thought Kapoor's style would suit him in the long run. At peace now, the two men drank to the New Year and EquiMore. In the warm confines of a home instead of the cold, alien office, Shiv and Kapoor shared memories of past assignments, clients and the merger itself.

At the same time, Tulsi Aiyar got an unexpected call from Thangiah Rao, erstwhile Morris International director, now part-

ner in EquiMore Jamaica. Rao wanted to appoint Tulsi as business head of IT for Asia-Pacific. Rao had been pushing for this for the last five months because he wanted to see Asian representation in the global network. Tulsi was pleased with the offer, but Rao put in a rider: "Whatever happens, I want to see that Babu becomes a director. He is a terrific resource and we have seen his work."

Tulsi had fresh battles to fight. The new appointment seemed good; in a way, he would be superior to Kapoor. He liked that. But he saw covert pressure on him from Rao to first put Babu in place. But Tulsi was sore about Shiv's resignation. He realised that fighting two causes together would not be possible. So he decided to resolve Babu's lot first, but express his ire over Shiv's departure.

"You delayed acting on Shiv's case," Tulsi said to Kapoor on Monday. Seeing his distraught face, Kapoor told him about his chat with Shiv: "I am not happy about his going away and I have conveyed this to him. Let me state my anxieties upfront. We at Equinox feel inhibited by Shiv. Call it style, call it loudness. But I guess we all have a loud side to some aspect of our personality. In Shiv's case, it could well be his north Indian blood! But, after I met him, I felt more assured. At least, I have been able to overcome my hostility."

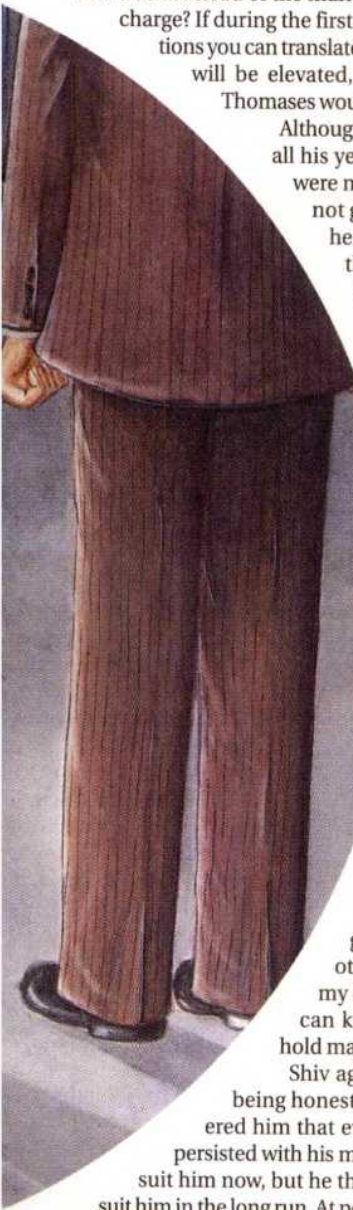
Fresh anxieties over Babu were weighing on Tulsi's mind. He said: "I suggest we resolve Babu's case before he too bites the dust. You must look ahead at, say, a three-to-five year time horizon and start identifying and grooming partners and directors. Part of that plan must include making Babu director and Shiv partner."

Kapoor had agreed to that and called an emergency meeting of his partners to discuss the fortunes of Shiv and Babu. A relieved Tulsi went back to his office when Babu appeared. Greeting Tulsi hesitatingly, Babu said: "Sir, I am leaving. I have a very good offer from Pricewaterhouse..." Suddenly Tulsi hated everything. He did not need this; only yesterday he had assured Thangiah Rao that all would be well with Babu and he had even pushed Kapoor to call a quick meeting. And now this. Worse, if both Shiv and Babu quit, EquiMore would be more an Equinox firm. He looked at Babu and said: "I did not hear you. Please see me at 4 o'clock."

Near panic, Tulsi had called Kapoor out of the conference room and told him what he had just heard. "Kapoor, we are not going to let this happen and I want your word on this. Please finalise his directorship today..." A stricken Kapoor went back into the conference room and said: "We have some urgent issues to resolve. Babu has been made an offer by another firm and we cannot let him go. And I also happen to know that Shiv Bhatia is being wooed by an outside firm. EquiMore needs both men. If Shiv goes, so does our last chance to grow the marketing practice."

The partners had a different agenda by then. One of them said: "The moot point is the marketing practice and I think even if Shiv goes, we can have Babu, who was his number two, to head the practice. But we can give him associate directorship, not directorship." Confusion followed and the partner clarified: "We need to understand that there are only two vacant slots for directors, and we have two strong Equinox senior consultants waiting for that promotion. We cannot forget Equinoxians have to get a fair deal too, and these two have been awaiting that promotion for two years now. Both are strong IT and financial resources. Are we going to sacrifice our own practice?"

Kapoor was in a fix. The idea of Babu quitting caused him discomfort. But he felt even more uncomfortable over having to let Shiv go. So he said: "But what about marketing? I think that Shiv is best for that role." More discussion followed and one partner said: "Can we really combine a marketing practice with IT and systems? I feel they require completely different mindsets and orientation." Kapoor was surprised, but his thoughts were interrupted by the



other partners who said: "It might be too early to make marketing the key business. So we will call it 'growth business' and let Babu head it. Babu will settle for associateship, we are sure. Promise him directorship after two years. That way marketing will grow gradually and we don't have to worry about his partnership for five years."

Kapoor said: "Babu is very good, but does not have the stature to head a business yet. I think we are being hasty. Let us take some time and think about this honestly. We will meet again in an hour."

"We need to put an end to this nonsense," a weary Kapoor said to Tulsi. "How can one be sensible and fair at the same time? Both of us have had a tough time all these months. Let us air our anxieties upfront. I am going to be honest. My men have a problem with accepting Shiv. Tulsi, you have to set my mind at peace. Do you really think Shiv is a good bet?"

Tulsi was evaluating his own moves. He felt very strongly that he must do the square thing by his men, more so now that he was soon to be an EquiMore International resource. "Until now, I was fighting their battles for them, but now it's a matter of protecting valuable EquiMore resources," he thought. Donning his new international hat, he said: "Honestly, both men are outstanding and deserve to be recognised. Let us not forget all Morrisians are watching for signals that they will be treated fairly and not be marginalised. This is a great opportunity for you, Kapoor, to send strong signals. After all, EquiMore's future depends on its ability to manage the change and ensure that as a combined and larger firm, it thrives in the marketplace. If old hands from Morris were to leave, it would have a new combined name but the same old men. Instead, we must consciously mix the blood and preserve their individual strengths in the combined firm."

"Against this backdrop, it is imperative that one be made a partner and the other a director in the practice that was clearly Morris' strength. You have the power to make this happen and convince your partners. You are now heading a bigger firm and you are going to face situations like this in the future too. If you back out now, you may find it difficult to assert to the larger partnership later for even your own legitimate ideas."

Kapoor returned to his office, his mind abuzz. Tulsi's observations stirred him. He felt that maybe he had been soft and had allowed the whole thing overwhelm him more than was justified. "It's not true that I will be cowed down by these people, but yes, this is the time to think straight and tough... I have to be clear what I, as CEO, want for the EquiMore. Yes, it is in my power to set things right, than leave it to emotional decision-making. Tulsi is right; if Equinoxians are feeling the pain then the Morrisians are feeling it more and it will be worse if I do not give Morrisians a good reason to feel their interests are important to the merged firm. Yes, we must combine strengths!" And he recalled the story his grandfather used to tell him as a kid, of the father who showed his sons that it is easy to break a single stick, but impossible to break a bundle of sticks.

"So we will be a bunch, a conglomerate of strengths and then we will be invincible," he thought. Kapoor went back to Tulsi's cabin. "I see what I must do now," he said. "We make Shiv partner and Babu can be associate director for a year and in 2002 he gets to be director."

So Kapoor went back to his men and convinced them of the path he suggested they take. After two days of debating, Shiv was made partner and Babu an associate director under him. Tulsi, re-

lieved by the happy ending, called Rao in Jamaica. And he quickly announced his own new appointment. Calling Shiv to his house for a farewell dinner, Tulsi spoke to him at length: "You know I worked hard at your partnership. It's now up to you to make sure that Babu gets his due elevation next year. Also develop some Equinoxians in marketing. This will get you goodwill and you can get more leverage with Kapoor. And," he said, pausing, "you need to work on softening your attitude. EquiMore is a bigger firm with different cultures. How you conduct yourself the next year is going to go a long way in buying you goodwill and acceptance. You need that. It's important that you face the fact that most of them were worried about your style. And when in doubt, just pick up that old telephone and call me. I am not going too far away!"

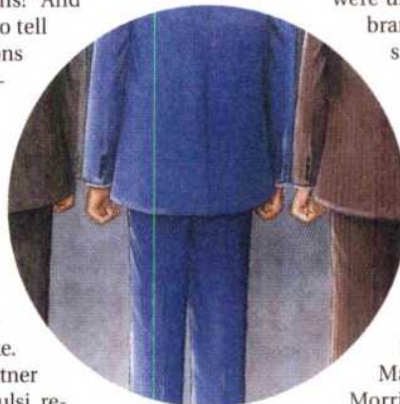
Peace descended on EquiMore and Kapoor. Tulsi left a happy man with Shiv's assurance to turn over a new leaf. Babu was a bit cut up that he could not become director. He had hoped that Shiv's resignation would bring him the directorship and marketing under his belt. But Shiv, too, had won and that changed his lot. But his astrologer told him that associate directorship in the bigger firm had to count for something and that he should not undermine the path granted him by nature. Although Babu worried about marrying without becoming director, he realised that staying at EquiMore was more critical for his housing loan. And Kapoor had offered all the comfort letters he wanted and topped that with a Rs 5 lakh interest-free housing loan. Babu had no choice but to be happy. Shiv threw himself into work with his old passion. He called on all clients and marketed EquiMore's combined skills. He drew up his team and ran into a bit of trouble over resource allocation. Some partners resisted his moves, but Shiv bought peace and encouraged Babu to train the lesser resources they got. Some of the Morrisians asked to be moved to IT and Shiv gave in. Kapoor was happy, but Babu wasn't. He could not understand the new Shiv trying to shepherd the Equinox boys. He said to Shiv: "Eeny-meeny-miney-moe... and we get all the moes! All these boys are green behind the ears! I cannot get work done like this, let us have only Morris boys on marketing!"

Shiv decided to ignore his anger, but Babu covertly sidelined the Equinox boys on jobs. Many such things happened as both Shiv and Babu battled with their old ghosts. Partners blamed Shiv at every opportunity but Shiv, remembering the exhortations of Tulsi and the promise given, tried to get the blame off Babu so that his chances were not dimmed. Unwittingly for him, Shiv came in for many confrontations that caused old anxieties to be endorsed.

The worst episode that brought old ghosts back to life happened too soon. One of Shiv's clients, Delta Products, was facing a problem with its proactivity with regard to customer requests. It was losing sales at outlets because its sales representatives

were unable to access data on items lying in other branches. For Babu, who was in charge of this assignment, this was an opportunity for an IT solution in a marketing situation, skills EquiMore was well-equipped to handle. He suggested a CRM IT solution, since what Delta typically wanted was capability to access information on inventory on the corporate database even while a sales representative was on the move. Babu suggested they custom-build a solution, but Delta's marketing head, Amit Marwah, refused. He said to Shiv: "We need to have this moving before the third quarter. My targets are a mess!"

Marwah had heard of a packaged solution that Morris had offered to another company and asked



that they customise it and use it for Delta.

When Babu presented the proposal to the partners, there was dissent. Equinox's forte was custom-building solutions, the mainstay of their IT practice. "Are you not compromising on suggesting the best solutions for the client and trying to be opportunistic?" a partner asked Shiv, as others said: "How can we trust his advice and deliverables on other jobs?" At one level Shiv knew Babu had undertaken this assignment to expand Equinox's IT skills. He had wanted a custom-built solution but Delta's Marwah had rejected the idea as he felt it would take very long. Shiv tried to explain this to the partners but in vain. They felt he had let go of a brilliant opportunity to build home skills and had instead resorted to quick but expensive packaged solutions. Some said he was trying to protect a colleague from his old firm at the cost of EquiMore and marketing Morris' outdated packages.

Shiv was now worried if his posture would be seen as contrary to his own and Babu's future interests. At the same time, he didn't want to push Delta too hard for fear of losing the job to another consultant. And Shiv wanted this assignment badly.

Shiv realised that there were three constituents in this tangle — his fellow partners, Delta and Babu. He also realised that he might have to step back and run all this blur through his mind to decide how he could come up with a win-win situation. And what if only two of the constituents could be pleased? Which should those be? Finally, how could he somehow avoid alienating the third? Babu was upset by what he saw as Shiv's passive stance. He wondered why Shiv had agreed to a package solution and now, having agreed, why was he unable to stand by his decision?

In any case, this module was just a part of the total dealer-stocks job and were they going to lose a kingdom for want of a horseshoe nail, as the nursery rhyme said? Yes, Babu said to himself. This whole Equinox-IT issue was a big irritant to the harmonious coexistence of the two firms. And Shiv was making it worse.

To complicate matters, two things happened. The partner-in-charge of IT called Tulsi and spoke to him since he had a functional reporting line to Tulsi for EquiMore's India IT business. Two, at Delta, too, there was a conflict caused first by their IT head, who had his heart set upon a custom-built solution for Delta and this was further strengthened when Tulsi called him and intervened. Delta's CIO had been adamant about custom-building the solution. For, as he saw it, that way his team would be protected in maintenance, whereas if Delta opted for a packaged solution, the users would end up having a larger say, thus, eroding his own empire and also rendering it difficult to bring about coherent compatibility of systems. In fact, Delta's Marwah had not told Shiv about his conflict with his CIO. Tulsi's intervention strengthened Delta's CIO's stance.

Differences cropped up between Shiv and Kapoor; between Shiv and the partners; and between Shiv and Babu. Shiv felt Babu was overreacting; Babu felt Shiv was soft-peddling for his own interests. But neither would address the issues. Babu sulked more. He regretted not having accepted the offer from Pricewaterhouse-Coopers and felt he had been sacrificed at the altar of Shiv's dreams. He couldn't help feeling that Tulsi had engineered all this, knowing he was going to head IT in Singapore.

Shiv had some serious explaining to do. "Tulsi, the bigger picture is the marketing assignment and the client was clear he wanted a packaged solution," he said. "You are now a partner," said Tulsi.



"Not a director of marketing. You have to see the biggest picture — EquiMore. Any decision you take cannot be SBU-driven; it should consider the interest of the firm. In this case, as a sensible IT firm, we would tell our clients that they should choose a custom-built solution. And Delta is not a small Rs 100-crore outfit. It's a multi-thousand crore company and one of our biggest clients. Can we be seen as a firm that compromises on quality for quickness?"

So what began as a marketing job, became an IT job and the ball rolled into the IT court. For Delta's top management convened, rapped Marwah on the knuckles, sent diktats that any IT modules should be referred to the CIO and finally decided that the marketing job was just a module and could wait. EquiMore would custom-build a solution for what was now redefined as an inventory problem.

Kapoor sensed the storm raging around him. He felt the whole thing was simply 'an act of God' with no devious intention of anyone. One partner said to him: "This is exactly what we feared. Marketing is ultimately marketing, it's about quick bucks, it is not the stuff serious consulting firms should dabble in. Marketing requires a completely different orientation and cannot coexist with IT and systems. Systems and IT are about caution, details and zero-based jobs. Marketing is reactive to warfare and target pressures!" Kapoor was annoyed with the observation. "When a man is in charge of a division, you must trust the honesty of his decisions even if you have different viewpoints. That is why we have a managing committee where we can discuss the pros and cons of a decision, but we cannot decide to put a man in the dock."

But the undercurrent of enmity at EquiMore grew. There was a feeling that Morrisians were poor businesspersons. Kapoor felt Shiv should have been cautious and, rather than make a suggestion to the client, could have discussed options with the IT partner. But he continued to support Shiv. Meanwhile, old Equinoxians rejoiced over the new assignment and someone remarked that Shiv and Babu's short-term methods may have cost them a good client. Shiv wanted to hit back, justify and explain, but resisted the temptation and this bothered him even more: this inability to say his piece in the face of such unfair criticism.

Shiv also knew he had chosen this road. He tried to pacify Babu but Babu remained aloof. Shiv felt cornered. He could not understand why Tulsi did all this for him, if after all that he was going to sit 'long distance' and control his life. Babu marvelled at Tulsi's 'duality', as he saw it, but he felt most betrayed by Shiv.

The Delta job was now a shared marketing-IT assignment. But, when the IT partner refused to discuss the interim solutions with Shiv, he let go of his guard. "Delta is my client and IT is providing a service to it. If I am not going to be kept in the picture I want you to tell me that in writing!" Shiv told the IT partner. Kapoor was surprised by Shiv's reaction. Wouldn't this repeat, he wondered. Had he erred in letting marketing coexist with IT and systems? Shiv was disappointed: should he have gone to McKinsey where he could have at least been himself? Babu was miffed and confused: had Tulsi been the closet mastermind after all?

Tulsi was disturbed: had he bet on the wrong horse? Should he have made Babu head of business? He had already got an earful from Thangiah Rao. Emails were a nuisance; the IT network in EquiMore worldwide had picked up this bit of gossip. And Kapoor. He had never felt more lonely. The tune left him once again.

He had never felt more lonely. The tune left him once again.

ANALYSIS I: ZAHID GANGJEE

Time To Get Help

Zahid Gangjee heads Zahid Gangjee & Associates, a Kolkata-based organisation and HR consultancy firm, which helps organisations manage change.



CAUTAM SINGH

It is rather disappointing that Bharat has dealt only with the immediate situation. His dialogue with Shiv ended up as a drinks-and-pav bhaji session where they both exchanged memories. The positive fallout of this was that they ended up as buddies. Unfortunately, however, Bharat did not create an opportunity for the erstwhile Equinox partners to interact with Shiv in an informal way. So these former Equinox partners did not get a chance to develop a positive opinion of Shiv. We see the negative consequences of this inaction on Bharat's part later on in the case.

Organisational culture is defined as the beliefs, values and attitudes held by the majority of members — often beyond normal awareness — that gives rise to norms (unwritten rules) of how members should think, feel and behave. The culture in EquiMore is characterised not by professionalism, but by personalisation and/or politics. Just take a look at the evidence:

Thangiah Rao finds a place for Tulsi Aiyar as business head of information technology (IT) for Asia-Pacific but he makes it contingent on Tulsi's ensuring that Babu Kamat is made a director.

Tulsi gives Bharat what appears to be very sound advice — "...you must look ahead at, say, a three-to-five year horizon and start identifying and grooming partners and directors" — but actually it is his way of manipulating Bharat into promoting Shiv and Babu.

Babu, on his part, has forgotten that

Shiv has been his mentor and feels that he has been "sacrificed at the altar of Shiv's dreams". He ends up sulking.

By not formally and forcefully confronting the very public issues that needed to be dealt with, Bharat Kapoor has allowed them to go 'underground' and get personalised and politicised.

There were visible strengths in both the organisations that merged to form EquiMore. Equinox was strong in information technology and systems, while Morris Day was strong in marketing. By not dealing with the emotions that the merger evoked and by not formalising the vision, strategy, and roles and procedures, Bharat has allowed such a culture to develop where might is right.

People are indulging in politics to gain punitive power. In fact, this develops to the extent of being 'exported' into their client organisation, Delta, where the infotech head knocks out the decisions of the marketing chief with the help of people from EquiMore.

Tulsi has given Bharat Kapoor two very real pointers:

"EquiMore's future depends on its ability to manage the change and ensure that as a combined and larger firm, it thrives in the marketplace... We must consciously mix the blood and preserve their individual strengths in the combined firm."

"You have the power to make this happen... you are heading a bigger firm... if you back down now, you may find it tough

to be assertive to the larger partnership later for even your own legitimate ideas."

Though consulting firms are partnerships, there has to be a 'first among equals' and Bharat, on his own, seems incapable of playing that role. Given the evidence that unfolds in the case, it is even more important for Bharat to get some external help to tide him over the problems that he is facing following the merger.

As I had recommended earlier, Bharat should appoint an external consultant experienced in helping organisations manage change. They should go off-site for a workshop where they first get to know each other as people and then seriously work at resolving the conflicts that have emerged within the merged entity.

Next, they should experience sessions on working in teams and build their 'rules' for working together in the future in EquiMore. Thereafter, they should try to build a joint vision of the business and its culture. This will give them the context in which to work on the strategy, structure, roles and procedures that should be adhered to in a bigger, better EquiMore.

But time is running out for Bharat. He should make the right moves fast. While the situation is not good by any standard, it is certainly not irreversible. If, however, Bharat fails to take steps, I'm afraid that the new, negative culture will get entrenched and EquiMore will end up having destroyed the very rich human assets that it inherited.

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ANALYSIS II: NISHITH MATHUR

Harness Synergies

Nishith Mathur is partner, Accenture, and leads its human performance and automotive practice in India.



NISHITH MATHUR

BHARAT Kapoor seems to have resolved the problems he was facing. He managed to retain both Shiv and Babu and give marketing the required thrust in the combined firm. Tulsi, too, was accommodated overseas.

Having done these, Bharat should have focussed on developing a new identity for EquiMore. He should have worked on showcasing the joint strengths to create an unbeatable company in which each consultant looks forward to an enriched future with an important role to play.

But Bharat seems to have stopped after fixing the initial symptoms. Old rivalries and tensions have resurfaced. The opportunity to create a firm which has no parallel in either marketing or IT seems to have been lost in internal squabbling and blinkered visions.

While Bharat managed to give marketing its due importance and retained both Shiv and Babu, he did not create a new identity to harness opportunities of synergy in marketing and IT. Neither he nor Shiv ensured that appropriate integration of personnel, practices and operating principles were carried out. Babu sidelined old Equinox personnel on marketing assignments, instead of building their capabilities. Bharat did not spend adequate time and effort on communicating the power of EquiMore, the combined firm, as a new force rather than as just an addition of the earlier ones. Also, how does Bharat prevent a Delta-like incident from happening with other clients?

For successful integration of the two firms, the CEO must define a new business strategy aimed at assimilation of personnel in all the key areas. Since this has not been done, old associations with Equinox and Morris continue and no one is exploiting the strengths of EquiMore. For example, Shiv does not take into account EquiMore's strong IT credentials, while the old Equinox partners seem to be more concerned about their IT custom development practice.

The business strategy initiative should have created excitement in EquiMore on the future growth and profitability ahead.

For example, Shiv says: "...Our combined firm has an even greater mass and credibility... it will be a winner...". Shiv probably plans to integrate the marketing group of Morris with the systems delivery capability of Equinox to create a more rounded sales and marketing consulting group which not only advises, but also implements solutions. But actual actions suggest that these joint strengths are being forgotten.

What's worse is that it in the confusion of reestablishing their identities, these consultants are forgetting the basic principles of consulting. The first is that the client partner has single-point responsibility and other partners can only provide advice to the client partner and never directly to any client. Tulsi violates this principle when he speaks with the Delta CIO on the phone. Bharat must tackle this and determine what should be the appropriate channel for communication and involvement of overseas partner skills.

practice, a strong leader develops consensus by showing the path that others are willing to follow and consensus is automatic.

Bharat can't be blamed for everything. The loss of identity and the lack of professionalism seems to have seeped even in the international organisation. This is borne out by the manner in which random diktats are being issued — Tulsi gets a call from Thangiah Rao: "...whatever happens, I want to see that Babu becomes director...". Bharat should not try to influence people outside his span of control. He should set up a formal performance-evaluation mechanism which brings in objectivity.

Bharat needs to ensure that he puts himself and his house in order and that consulting operating principles are not forgotten in the evolution of EquiMore. Given the trends in the software market, where readymade solutions have now improved considerably and obviated the need for repeated custom-development,

While Bharat managed to give marketing its due importance in EquiMore and retained both Shiv and Babu, he did not create a new identity to harness the synergy between marketing and IT

The client partner needs to determine the right answer by judging what's best for the client and not what's best for the consulting company's vested interest. If EquiMore is not careful about this, it may lose its market credibility.

The nature of expertise that clients seek from the consulting market has changed substantially. They are normally willing to pay more for industry-specialist expertise rather than generic cross-industry skills. Partners are assigned 2-3 industries in which they display expertise and personal leadership and also handle key accounts. The partner handling an account would ensure consistent messages are sent and the best project delivery skills are provided. Bharat will also have to change his personal style. While a method of consensus is a good

the most appropriate solution for Delta may indeed be a package solution.

The old Equinox partners need to be woken up from complacency of a comfortable custom-development environment to help them visualise that the consulting services market of the future will change and, therefore, they need to reskill. Thangiah Rao's judgement of Babu's capability may actually be correct. As long as a formal objective evaluation process is carried out, it may be appropriate to elevate Babu to director, but not on account of undue pressure.

Bharat will also need some confidence-building and, perhaps, an external mentor who will guide him through this turmoil. Maybe, the best option before him is to consult Babu's astrologer! ■

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Rama Bijapurkar is an independent strategic marketing consultant and a recognised thought leader on consumer-related issues in India. A board member of some of India's leading companies — Infosys Technologies and Godrej Consumer Products, to name just two — she is also a visiting professor at IIM-Ahmedabad, where she teaches marketing strategy. Readers of *Businessworld* will undoubtedly be familiar with her writings, as she is a regular contributor to this magazine.

AS I journeyed through this set of case studies, from 1997 to 2002, I was reminded of that classic advertising line, 'you've come a long way baby'. In the first case study ('The Premium Dilemma', 1997), the protagonist agonises over: "What is the actual size of the Indian middle class and its ability to pay for global brands." In the last case study ('Delivering The Daily Bread', 2002), one of the analysts says: "The debate at Mega Foods is a microcosm of a larger national issue — will India continue to present itself as a prize to be won by the likes of global tortilla manufacturers, or can it globalise the Indian *chapati*, in a global market where consumer palates point to a preference for international cuisine." The first case study concerns itself with classical marketer issues of what comes first — the image driver brand that doesn't sell or the volume driver brand that isn't easy to build an image with. The last case study examines what comes first — the size of the market or the product innovation which can increase the size of the market.

were fixed and hard to increase, and maximising contribution per unit was the objective function. The arithmetic of low margins per unit and large volumes delivered by a specially designed low-cost business system, does not find too many takers. Further, many companies are not too comfortable in terms of self-image, with the tag of being called a mass marketer. That is why we have questions like 'how can I build a brand if I have a mass market strategy', 'what am I doing to my brand if I start selling lower priced products'. Hopefully, now, with C.K. Prahalad talking about the "bottom of the pyramid", and "profit from the poor" in *Harvard Business Review*, this strategic choice may be emotionally easier to handle!

The case analyses reflect two very interesting and diverse viewpoints — one from an ad agency CEO, and the other from a chairman of a company. The advertising man says that mass products have a better chance to click if they are preceded by an image-builder 'class' product. (Just for the record, I want to draw attention to *Nirma* that did exactly the opposite!) The chairman of the company, in his analysis, elevates the debate to where it should be — the organisational issues plane. The balance between marketing ambition and business decisions; the organisational patience levels needed for certain types of market strategies — "how long are you willing to wait before you see a positive bottomline?"

The Cola Trap (1997)

Cola wars are a big yawn. I don't think any of us, not intimately



Marketing & Consumer Behaviour

My task this year is exactly the same as it was when *Businessworld's* previous Case Study Special was brought out, where I played the role of *sutradhar*. In this preface to the case studies on marketing and consumer behaviour, I will take you on a guided tour of these cases and the issues they deal with, and share things that struck me as I read them.

The Premium Dilemma (1997)

This case about white goods manufacturer Electra India covers the whole gamut of what I would call 'eternal questions'. Should I have an image leader or a volume filler? Premium or Popular? Pull myself up from the bootstraps after establishing the volume base, or rely on trickle-down, after establishing the aspirational brand? Secure the present first, as defined by having a product at a price which could deliver the numbers, or secure the future first by believing that once a (high image) brand is built, 'volumes are a natural consequence'?

Indian marketers (and by marketers, I don't mean the functional head of marketing, but the company's entire management team) have a total obsession with the 'mass or class' choice, probably a throwback from the days when capacities

connected with colas, want to read about cola wars anymore. But this case is about being 'un-cola' (read that as 'orange') in cola territory, and about breaking all the sacred cola rules when marketing cola — lower price point, not having an upmarket image for the America wannabes, etc. This case is about the gumption of the upstart who dares to not play by the 'doesn't everybody know' rules of the game, written by the market leaders. The upstart who dares to be a price warrior and bring a 'no frills' offering in a market where the norm is 'with bells and whistles'!

To someone like me, who has never survived in an 'establishment', this case was really fun to read. It is about what management consultant gurus often ask their client CEOs — do you want to be a shaper who changes the rules, or an adapter, who merely plays by them?

The key issue in the case is about the gradual change in strategy, from one of shaping and differentiation, to one of playing by the rules as well. The marketplace compulsions — like having to have range completeness for distribution clout — that force you to gradually join the 'me too' mainstream. The dangers of being half pregnant! Both the analysts had the same thing to say, in different ways — 'stick with it, stupid'!

The late Shunu Sen, who presented the first analysis of this case study, said rather colourfully and accurately: "Mitta is falling into the trap like most marketing managers and marketing directors. First, they set an objective (that's good). Second, they meet it (that's really great). Then they screw it up (happens quite often). Mitta is a good marketing person, but going the way of all those guys who would not, could not and just did not leave the good work he did, alone."

Skin Deep Loyalty (1998)

This case makes for good reflection on the recent years of B1G2F (Buy one get two free) marketing activity. Why are consumers promiscuous? Because nowadays, with so many options available, the very idea of consumer loyalty is obsolete? Or because brand marketers are not making the effort to change their brand strategy as consumer needs and expectations change?

The case is about an 'all-purpose' skincare brand that is losing share to newer entrants offering more specific benefits. And the debate is around whether disloyal consumers are disloyal because of fatal flaws in the consumers or in the brand! An interesting sidelight is the discussion on how to define the construct of loyalty in today's world. Hundred per cent loyal? Or 100% loyal on 50% of the occasions?

Both the analysts agreed that consumer loyalty has a future, and is a realistic goal to aspire for; and that even if a brand has lost consumer loyalty, there is life after death. The prescriptions were (a) that companies should keep their ears to the ground, looking for signs of consumer attitude/value/demographic/behaviour shifts, and change their brand before the consumers changed theirs and (b) to work hard at owning a higher order/more evolved brand proposition *a la* Harley Davidson.

Sound advice. The only trouble is that the brand discipline seems to be waning, and many marketers have either decided that brand building is some esoteric art form best left to someone else, or that if you throw money at the problem in the form of higher advertising spends, all will be well.

Wanted: a renaissance, involving a balanced understanding of the science, craft and engineering of brand building, with advertising agencies now playing a much more proactive role.

Impulsive Sellers (1998)

In these difficult years of growth, this case is a useful warning of what can go wrong when you move into a new business that seems a logical and adjacent step out from your current business. A dairy products and processed



RAMA BIJAPURKAR

SANJIT KUNDU

foods company decides to grow by adding fruit drinks to its portfolio — logical, when viewed through the lens of product and supply side synergies. Disastrous, when viewed through the lens of distribution and marketing action synergies. Dairy and processed foods are household usage, grocery channel, planned purchases. Fruit drinks are all about impulse, and require a completely different distribution channel and marketing approach. A nice, low incremental cost, low incremental effort move becomes a 'have to start from scratch', high-effort nightmare. A timely reminder that God is found only when you think through the details of execution.

The case analysts' verdict? "Temptation should take a back-seat to common sense". "Stick to your knitting".

The Secret Adversary (1999)

Again, we have a once-upon-a-time golden great brand, whose share is badly dented by new entrants, and is now struggling for survival. How do you revive it, if at all? This case partly examines the issues explored in 'Skin Deep Loyalty' — did the brand lose to international gloss and sheen (and maybe, mega ad budgets), or was it because it had not kept abreast of the strides in functionality offered by the new kids on the block? Who is to blame for the man going astray — the seductive temptress next door or the callous wife?

But the revival plan that is proposed is to use the corporate brand to rescue the ailing product brand. This has been discussed by both analysts and will be of particular interest to two-wheelers, where new models seem to be born by the day, and the jury is still out on whether it is better to put money behind a single corporate brand or into individual product brands. "Corporate brand values provide an anchor for the company and can be a strength in many ways. But like any anchor, they limit the range within which the product brand can operate," says our analyst Anand Halve. Yet another reminder that brand decisions become easy to take if you have actually thought through your strategy. In this case, once you decide whether you want to play in diverse value spaces or stick to a certain range of products and propositions, the decision on product brands versus corporate brand becomes simple! The second analyst, Rohtash Mal, says: "I would prefer to believe that the sigma and plus of all (product) brands create the corporate brand, not so much the other way round."

Amitabh — The Big Brand (2000)

At first I thought I would dump this case study from the collection — haven't we all overdosed ourselves on the Big B? But then I read the analyses and found them both to be re-

Brand decisions are easy to take if you actually think through your strategy — decide whether you wish to be in diverse spaces or certain areas only

freshly different, both addressing the theme of how a brand can stay evergreen — and decided to include it here. The first analysis examines Bachchan through the brand life cycle lens, and makes the point that reinventing brands and keeping them relevant involves changing the consumer promise, while retaining the core values. From Messiah of the Downtrodden Masses to Messiah with the Midas Touch. The second analysis chose the same theme — that the core value of the AB brand is to deliver dreams to the masses. The dreams may change but the deliverance theme stays relevant.

Given the money spent on celebrity endorsements, it should be *de rigeur* to find out what the brand values of each are, and whether they are consonant with the brand being advertised. The Sachin Tendulkar brand, for example, has the magic values of being an understated overachiever — the essence of what nice Indian men would like to be. His achievement is seen to be that sweet combination of talent and hard work that is used to produce money — again, the dream of every young Indian male!

Design Drives The Car Market (2001)

I loved this case when I read it, because it discusses the next step of evolution in our practice of designing products. From fulfilling the modest objective of being aesthetically pleasing, product design needs to increasingly fulfill the role of being a key brand differentiator and a means of conveying the brand proposition. We have just started dealing with this issue for cars and two-wheelers, and gradually for other household durables too.

The case asks the question: "Is the Indian market ready for this?" My answer is definitely yes. The consumer is far more ready than the manufacturer. And is not willing to accept the paradigm that high style is for the premium segment and low style for the popular segment. The case provides some thoughts on how to go about translating the language of consumer's self-image to the language of product styling. General Motors spends its time "not looking at the consumer but at the big picture", and drawing "so what" implications for design.

It is a new set of skills that we need to acquire everywhere —

at the market research agency, the product designer, the advertising agency and the brand manager. "Designers always watch consumers. For instance, in General Motors, there is a huge area called Generation Next; there are about 150 people working in that area and they actually research lifestyles. So they project how humans are going to change in the future.... In the US, AIDS has become such a serious social issue that marriage and staying married is in. Marriage is about stability, so how do you put stability into your design?" In India, for example, refrigerators are kept in the living room by those in the lower socio-

economic strata while the more affluent households keep them in the kitchen. How does that change in the 'cultural label' of the category get reflected in the design?

Delivering The Daily Bread (2002)

"No amount of intellectualising within the portals of Corporate India can justify not having a dozen brands in this market scrambling for a share of the 2 trillion *chapatis*," say Ashok and Meera Vasudevan in their analysis. True. There is a consumer need. There is a large market. What there isn't, is an acceptable product.

G.S. Ramesh, a food technologist, suggests several options for getting a product that can compete with the fresh *chapati*, refrigerated (not frozen) and semi-prepared being one. Are passion and technology the key ingredients for marketing success? "All food companies in India that I know of are

headed by marketing professionals while the food technologists have been 'tokenised'. In the foods business, especially in ready-to-eat categories, cuisinology should be king. Not marketing. Our whole mission should be to make great tasting food first." And, at an affordable price, too.

'What is the size of the ready-to-eat foods market', and 'is the consumer ready to give up fresh food', are the wrong questions to ask. When will companies be able to create the product that is as good as homemade, and what processes and capabilities do they need to get there, is the more relevant question. The case asks: "So many Indian companies ... were so good at what they did — ITC, Godrej, Levers, Tatas. Couldn't they create a revolution in foods?" Now that is truly food for thought!

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The Premium Dilemma

Should white goods manufacturer Electra India introduce its mass products to build volumes? Or should it bring in its super premium products first to build a brand image?

This case study was first published in BW, 22 August 1997

■ MEERA SETH

VINOD Tahlil's mind was a riot. For the first time in many years, the marketing manager of white goods manufacturer Electra India was questioning the marketing theories he had always believed in. Was he right in wanting to abandon the super premium route to brand building, or was he, in fact, trapped in the classical middle-class mindset which made him averse to premium products?

The previous Sunday, Tahlil had had a long discussion on the issue with Gautam Sarin, his squash partner and marketing head of Plimsoll Watches. Tahlil had walked into the squash court right after a stiff debate with his CEO, Arun Raja, over Electra's plans to launch a super premium, multi-facility refrigerator from its international stable, the Eva 755.

The Eva 755 was a state-of-the-art multi-door fridge, with lots of features and plenty of storage space. It had two zero-degree compartments, an ice crusher, a dispenser for chilled water, a built-in deodoriser and an alarm that went off if the door was not shut properly. The price: a cool Rs 1 lakh.

The previous year, the company had launched its three- and four-door refrigerators. It followed that with a 7.5 kg fully-automatic washing machine, Ergo, which also carried a premium price tag. This, in fact, was Electra's strategy. It preferred to enter with its



premium range rather than follow with mass market route, CEO Raja wanted to build brands first. Volumes would be a natural consequence, he said.

But Tahil had his doubts whether Eva would cut much ice with the customer. In a market which was skewed in favour of the value-for-money double-door refrigerator, the multi-door refrigerator seemed very ambitious to him. It was unlikely to build much saliency for Electra, he felt.

To begin with, the very idea of a large-sized refrigerator seemed irrelevant in the Indian context. In the West, convenience stores were fast being replaced by supermarket chains. As a parallel behaviour pattern, consumers there were using refrigerators not just for preserving foodstuffs, but also for long-term storage.

But in India the neighbourhood grocer had gained in strength and supermarkets had not become the norm as yet. For the same reason, the western pattern of long-term storage could not be replicated here. "India is a tropical country and there are lots of vendors for fresh vegetables and fruit. So, who needs vast storage facilities in India?" he asked.

Raja was convinced that there was a clear consumer segment which sought premium and super premium products and that it perceived a tremendous value for money in these products. "There are 3.8 million households in the A1 and A2 socio-economic classes. It's not the 150-million-strong middle class but this super premium, label-conscious segment that I want to target. The self-employed and high-salaried people in this segment are virtually indifferent to high prices," said Raja.

Tahil would not buy the argument. "The so-called high income group that you refer to comprises largely nuclear families. That means that these families consume less food than joint families do. There may be 3.8 million such families, but they are dispersed all over the country. A rich farmer from Gurgaon, who has a high disposable agricultural income and heads a family of 14, is the one who actually needs this product. But you have no means of getting your product to him. In the US, companies man-



The very idea of a large-sized refrigerator seemed irrelevant in the Indian context

age to reach him by supporting distribution networks like direct mail, home delivery and low-cost logistics. However, these channels have not evolved in India. So, even if we were to accept your 3.8-million figure, the question is, where are these rich households and how do we reach them?" asked Tahil.

An entry through a premium segment would entail lower distribution costs, but only if a mass product already existed. "If you have a mass product, you could piggyback on its distribution network and get your premium product to the rich farmer in Gurgaon," said Tahil. "In its absence, reaching out to the dispersed consumer will be prohibitively expensive. Also, it will be difficult to get the required volumes."

Raja had other plans. He wanted to enter the super premium segment so that Eva could be Electra's image leader. "Why did Titan launch its Tanishq range? Certainly not for volumes," he argued. "The premium range has a positive rub-off on the medium range. If a company launches a super premium product, its image becomes so overwhelming that the consumer does not question the price or the quality of its other products," he said.

"That 'image leader' angle is a double-edged sword," countered Tahil. "If the super premium product fails to make a mark in three years' time, its image as well as the company's image will take a beating."

RAJA cited the example of BPL. "When it entered the refrigerator market, BPL was aware it was taking on the might of Videocon, a sturdy, reliable, home-grown brand. To gain a quantum leap over Videocon's image perception, BPL first launched the three-door refrigerator. Its launch stoked the interest of consumers, who gushed and gawked and went home and told their neighbours about it. So, the next time someone wanted to buy a basic 165-litre refrigerator, he first checked out a BPL fridge. Soon after that, BPL launched its home entertainment system, another super premium product. No one questioned the price or whether the product would be successful because they all knew that there were buyers for the quality that BPL had to offer. Thereafter, every offering from BPL was viewed with respect," he said.

When Electra had launched its four-door refrigerator Cleo last year, Tahil had had a lot of misgivings. He was hoping that like BPL, Electra would also enter the mass market. "We need to express our intent to service the mass market. Otherwise we stand the risk of being ignored by the middle class," he had said to Raja.

Brand building, Tahil felt, worked when it ran parallel to volume building. The middle class is very aware and is continuously upgrading its information. It will want to know how many Indians are buying Electra and we need to answer that with some volumes," he said.

In such a scenario, the launch of Eva appeared to be a wasteful exercise. "The premium you can charge on a product must have a meaningful price to quality/value ratio," argued Tahil.

"Price is no longer the deciding factor, value is. As you go along, you'll find consumers are less likely to compare prices than they did in the past," declared Raja. "Every fridge has a freezer, an egg compartment, frost-free interiors and lots of space. So, what's new?" he asked. "If Electra offers yet another refrigerator which is 25% more expensive than other brands due to its quality and

global brandname, where is the differentiator? In global markets, quality is taken for granted."

Tahil disagreed with Raja on the significance of pricing. "Price will always be a key factor in the purchase decision. The people you are targeting for Eva watch the market, evaluate products and are very aware. They may buy a pair of Reebok shoes for Rs 2,000, but a refrigerator for Rs 1 lakh? That's going too far," he said.

Raja left after coffee, but Tahil carried his disagreement to the squash court. "Raja is trapped in a mythical view of the Indian middle class," he said to Sarin. "All around us lie the debris of companies which overestimated the middle class' willingness to pay for global brands. Yet he believes that Eva has potential," he said.

Sarin felt Tahil was underestimating the market. "In the wake of liberalisation, there was a lot of brouhaha over the relevance of some of the products entering India. People asked 'who needs KFC? Who needs Reebok?' But we must realise that the consumers aspired for anything global. Now they are asking for particular features and design improvements," he said.

"Who are these consumers?" asked Tahil. "The glorious middle class?"

"Tahil, in durables, you have to benchmark differently. When you are selling potato chips or corn flakes, you are looking at one set of consumer behaviour patterns. But in durables, which can replace manual tasks, the consumer is seeking higher value delivery. Within this, there is also a segment which is indifferent to high prices — the self-employed and the high-flying executive. They have access to soft loans and huge perks. Money is no object for them. They are eating out twice a week, buying shoes worth Rs 2,000 and paying Rs 1 lakh for health club memberships."

No doubt, there was a niche with fairly deep pockets, probably even a predisposition to spend. But having money and extravagant spending were two different things, felt Tahil. Many top-of-the-line brands came into India expecting the consumer to spend extravagantly, he felt. "They all felt the Indian buyer was panting for global brands and priced themselves extremely high because salary levels had increased. But sales were far below expectations," he said.

"It is not an easy task establishing a new brand in a new market," reasoned Sarin.

Tahil agreed, but said that the premise on which these brands entered the market was flawed. "The fallacy lay in the numbers they put through in the presentations to their headquarters," he said. "For instance, when a soft drinks manufacturer compared the per capita consumption in Pakistan and India, it discovered that there was great potential in India. Pakistanis consumed nine bottles a year while Indians drank just three. The two countries were very similar in terms of weather conditions, traditions, culture, race, etc.

"In such a situation, the soft drink manufacturer assumed that it would be easy to hike the per capita consumption to, at least, six

in India. US companies feel that you are not a good manager if you are not pitching for a 30% annual growth. They can't be satisfied with a 10% growth rate. So, do you think the Indian arm told the headquarters that it can't do it? Of course, it said that the growth could be achieved. It did some simple arithmetic and concluded that in two years' time, it could double the size of the soft drinks market in India. But that kind of arithmetic is flawed," he said.

This was just the sort of numbers game that Tahil wanted to avoid. "These are highly qualitative assumptions. How can we take them as a statistical truth? When you present the same story umpteen times to umpteen bosses and rework the figures more than 20 times, you end up believing your assumptions!"

That, he felt, explained why many new entrants entered with a bang and later scaled down their projections. "This mindset is common among manufacturers of premium products," he said. "Take the example of a top foreign brand of ice-cream. At Rs 30 a scoop, it became the most expensive ice-cream in India. Yet, the expected demand did not materialise and all its cost projections went awry. The company expected to overcome the price barrier in the medium term but the consumer did not respond. Now it is reviewing its pricing strategy."

SARIN felt non-durables were different. Being consumables, the consumer sought tangible and perceptible value delivery. Besides, non-durables were paid for out of current earnings and a consumer's decision was based on how much his budget could stretch. He was likely to reject a product that did not give him enduring benefit. Durables, on the other hand, were bought from savings. "Since it is a one-time purchase, a consumer is more likely to seek a brand that offers several features and benefits. Even if he has to pay a premium for the add-ons, he will be willing to consider the product," said Sarin.

Tahil would not buy this argument in its entirety. "That may hold good for new product categories like cellphones or computers. But not for refrigerators and air-conditioners where perfectly sound brands from Indian manufacturers are on offer. So, when a foreign brand comes in, one is not readily willing to switch, unless he is label-conscious," he said. "But in consumables, the brand switch happens faster. For instance, a housewife will readily buy expensive floor cleaners instead of the regular phenyl. That's because Indian consumable products cannot match foreign brands. Indian companies have made very little investments in upgrading these products. So, the value delivery is more perceptible and conversion is faster."

Tahil felt that sales of white goods which offered cosmetic innovations like water dispensers, in-built deodorisers or remote-controlled air-conditioners needed time to grow. "You have to first satisfy the basic needs in a category — it's only in the next phase that the consumer will evolve towards ice-crushing refrigerators and fuzzy logic washing machines," he said conclusively.

"Precisely," said Sarin. "Going by your theory, since the basic needs in durables are already met by the Indian players, the consumer is now ready to look at innovations in design and features in washing machines and refrigerators. The existing players are catering to the mass market and Electra needn't be an also-ran. It must enter the super premium segment and offer innovative features at a price."

The saliency of the global brands was highly overrated, felt Tahil. These brands were known to

Tahil had his doubts about entering the premium segment first. He talked of foreign companies that had overestimated the middle class' willingness to pay for global brands



only a thin upper crust which travelled overseas or could afford the prices of the grey market. To most Indians, the big brandnames were unknown. "Also, many companies get carried away by the success of their brands in other markets. For example, the soft drink company which thought that consumption could be doubled in two years. When statistics on the glorious middle class were bandied about, these companies must have been awestruck. Since their growth had plateaued in overseas markets, they sought new avenues. And the biggest emerging markets were China and India."

"Fair enough," said Sarin. "But these companies realise that growth in these emerging markets is a long haul. They are prepared to wait, create distribution networks, build brands, train people and expand the market."

"But what makes them confident that volumes exist, that profits will accrue after all this?" asked Tahil.

Sarin felt that it was not a question of profit or loss in the initial years. The first goal was to build the brand. "A brandname may be a household name in the US, but it has to be made as salient in India. It can't do that by selling at a profit to just a 1,000 Indians. Likewise, new soft drink manufacturers need to sell several million bottles of the beverage before they can start counting profits. Their 'losses' in the growth phase should be seen as a price to gain a foothold in the Indian market. Once that marketshare is gained, the profits will follow."

So, what you describe as disastrous performances are not disastrous performances," said Sarin. "They are glitches in the path of building a brand. In non-durables, brands are built through volumes. In durables, you do other things like launching mega brands to dazzle the consumer."

Sarin pointed out that there were several examples of this strategy. Parker had launched its range of expensive pens first and, just as the hype picked up, its low and mid-priced pens — which are now grabbing the interest of the consumer. "Clearly, the premium range had a rub-off effect on the cheaper ranges."

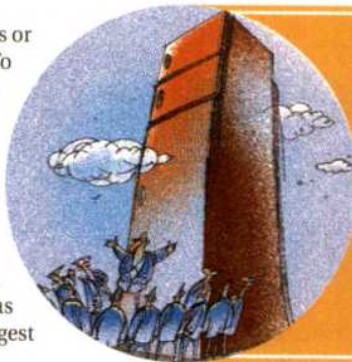
"That's because a Parker pen is an aspirational accessory. It's a brand many Indians have waited for for years. Also, the value delivery did not betray the expectations. However, that did not happen with Pierre Cardin!" pointed out Tahil.

"But it did happen with McDonald's despite its beefless 'Hindu' burgers and it did happen with Revlon cosmetics. Both are high-priced products but have done quite well in the market," said Sarin.

"You are citing examples of non-durables. But in durables, you can't leverage on aspiration alone," said Tahil. "Everybody aspires to buy a good quality, value-added refrigerator. But the purchase decision will depend on a meaningful price point. I don't see anyone wanting to pay Rs 1 lakh for a refrigerator," said Tahil.

That was the fundamental difference between the views of Tahil and Sarin. Price, felt Sarin, was no longer a sales strategy. "The consumer today has evolved so much that he is no longer comparing prices. Earlier, people had a mental price barrier and were unable to look at prices beyond what they were actually paying. If someone used a soap that cost Rs 10, he could not imagine buying a soap that costs Rs 30. Not anymore though. Now, he accepts the Rs 30 soap and sees the difference in value delivery distinctly."

"If that's true, why have these companies started cutting prices of their products?" asked Tahil. "Obviously, they have come to realise that there is an acceptable 'price point' for a product, regardless of the brandname. Is the consumer really craving for a



Eva is Electra's showcase brand which will help it take a quantum leap in image. The premium product has a market, but no profit potential

fridge that costs Rs 1 lakh and fuzzy logic washing machines?" asked Tahil.

"Not everyone is," agreed Sarin. "But there is a niche, however small, which is craving for the super premium. Manufacturers have found that a super premium product showcases the entire value delivery effort of the company."

Several Indian companies had done just that. While Raymond had brought in its Goldline range at Rs 25,000 for a suit length, Grasim's Scabal was priced at an eye-popping Rs 1 lakh. However, Tahil felt that was done after years of establishing the brand in the Rs 110-400 per metre range. "Their extension into super premium products is a natural move to enhance their existing image."

TAHIL preferred the route taken by Videocon. "Videocon could have settled for smaller numbers at a higher price, but didn't. From Day One, it was looking for larger volumes, whether in washing machines or TVs. Many TV manufacturers treat their black and white TVs as a necessary evil. But not Videocon, because it knows that for a long time there will be as many people who will want black and white TVs as there will be people who want colour TVs," said Tahil.

"But Electra is neither a Raymond, nor a Videocon. It is a new entrant in a market where competition from both global and local players is fierce. The global players are aggressively building their brands. Eva is Electra's showcase brand which will help it take a quantum leap in image. A premium product has a market, but not a profit or volume potential. It can be highly useful in nurturing existing or future brands," said Sarin.

The perception that the Indian consumer will not buy high-priced products was, Sarin felt, a myth born out of a hastily calculated middle class population and an underplayed aspiration. "The middle class has various constituents," explained Sarin. "The funny thing in India is that everyone is middle class. You will not meet anyone who will say he is not middle class. That's because we have a tradition of frowning at consumption. Anything outside the immediate realms of hunger and clothing is not considered virtuous."

"This could be a deterrent to the consumption of high-priced products, except when they are for children. I may hesitate to buy a Rs 800 Arrow shirt for myself, but I won't think twice about buying a Rs 500 shirt for my seven-year-old son, though he would outgrow it in six months. In a sense, this reflects our generation's wish to remain middle class," said Tahil.

"But all that is changing now," said Sarin. "Eva is a good idea and it will be a sure-shot brand builder. It's true that premium products like Eva are not intended to be value sellers. But it's equally true that the middle class has tremendous buying potential. The trick lies in assessing the right consumer group for each brand and range," ended Sarin.

ANALYSIS I: ASHOK KURIEN

Image Building First

Ashok Kurien is the chairman and managing director of Ambience Advertising, and a founder-director and partner of Zee TV.



SANJIT KUNDU

THE argument between Raja and Tahir is indeed a classical debate that takes place in almost every marketing setup: 'Do I initially support an image driver or do I get volumes first, independent of the brand image?'

You can't enter the white goods category in India today without premium products. And you can't make money in this category without volumes, for which you need mass products. Around 75-80% of the consumers in this category belong to the mass or budget range.

In durables, which are a one-time purchase, the consumer would be more than willing to consider paying a premium for a label, for features and add-on benefits. This has even been corroborated by research, "that at the top of the pyramid, more and more consumers look at price as the last barrier". In fact, the consumer here is prepared to pay that extra bit if she is able to get technology, features (she might not know how to use them, but she still insists on all the gizmos and buttons) and the necessary imagery (read: snob value) from the brand.

Therefore, there is merit in Raja's argument that an image driver (brand builder) would be the starting point and volumes would be a natural consequence thereof, assuming an acceptably priced, mass-volume product follows shortly. We must bear in mind that Electra would be the 10th player in this crowded category.

If one were to profile the extreme ends of a continuum — from a status seeker (the super premium segment) to the budget-conscious (the bottom end of the pyramid) — the factors considered by each of these segments are quite radical (See 'Priorities While Purchasing').

Over time, warranty and after sales services are taken for granted, as in many other categories. At this stage, the budget-conscious decisions will be influenced by price and brand alone. We must also keep in mind that when this same buyer is ready for her replacement purchases, she is likely to have become a status seeker.

It, therefore, makes sense to launch the Eva 755 as it would make the consumer

view Electra seriously. The Eva 755 will ensure Electra's entry into the consideration set. In a category like consumer durables where technology (as translated into a consumer benefit) plays an important role, only a super premium product would give the brand technological leadership. Having done this, it becomes that much easier for the company to subsequently launch the mass products because they not only get the technology rub-off, but also the image rub-off.

Sales volumes of Eva 755 will be extremely low as the potential target segment will probably own a fairly new, top-of-the-line or imported product. Electra should possibly import a few pieces initially and concentrate on local production for the mass product and its three-and-four-door models which are already in the market.

It does happen very often in consumer durables that the advertiser is actually advertising only its top-end model of colour television or music system or luxury car. If one were to analyse consumer brand behaviour, the consumer, no doubt, gets influenced by the 29-inch full flat screen or the 800 watts PMPO audio system, but, in

fact, settles for a lower price model within the same umbrella brand.

A clear case in point of an image driver leading to successful brand building and then volumes as a natural consequence, is BPL. It invested in technology, gave premium, high-quality, high-value products and created a perception of being an image driver in the category. Therefore, when BPL launched brands to cater to the mass market, the consumer found them very acceptable, as it gave them the satisfaction of buying a brand which had both image and technological leadership in that particular category.

On the flipside, while Videocon as a brand has done extremely well, the brand's imagery is not commensurate with its marketshares in any category — be it televisions, washing machines or audio systems. This, in spite of launching a Bazooka TV or a neuro-fuzzy washing machine. So, the brand will always be seen as a 'poor man's choice'.

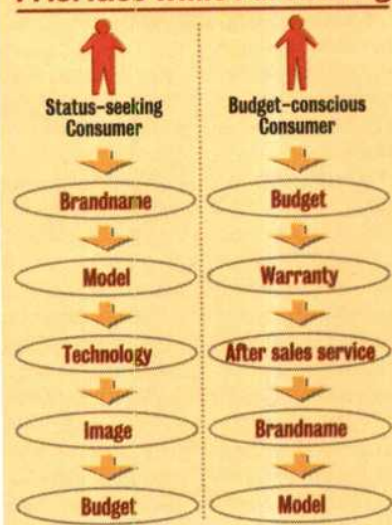
Videocon's strategy was perfect because it was the 'category builder', especially in washing machines. It should have, however, put an 'image builder' product in the market much sooner. Late entrant BPL did the right thing by ensuring a clear image lead for the brand before driving its volume or mass products.

Godrej cannot go unnoticed here. It gained leadership with a trusted, value-for-money image, but in a market scenario with hi-tech, international brands, it has to work at protecting the top-end of its market with high-end imagery or risk getting repositioned as 'old-fashioned'. If it doesn't do so, its image may get eroded.

Therefore, the path of brand building, as rightly pointed out by Sarin, is a long painful haul and should be seen in the initial phase as a price for marketshare and to get an entry into a new market.

I would put my money on Raja's and Sarin's point of view — get the brand image right through a brand building route for a period of six months to a year through super premium products and then follow up with mass products to get the volumes. ■

Priorities While Purchasing



ANALYSIS II: C.Y. PAL

The Homework's Insufficient

C.Y. Pal is the chairman of Cadbury India and Cadbury Schweppes Beverages India.



JAYANTA SAHA

TAHIL'S dilemma on whether to focus on brands that are likely to generate volumes or build a new business based on premium brands is not an uncommon phenomenon. However, what is strikingly different from the normal in this case is the apparently conservative approach of the marketing head and the more aggressive (and marketing-like) stance of Arun Raja, the CEO. In my experience, I have come across many situations of the reverse kind, wherein the marketing head is all for brand building and the CEO is more concerned about the results of that approach.

In any case, the problem detailed in the case relates to the differences in approach to evolving a sensible marketing strategy for Electra India — which must flow from a carefully thought-out business strategy. In the absence of a clear mesh between the two, there is a strong possibility of a mid-course change or a correction that normally leads to a lot of pain and problems for the people and the organisation.

In this context, the company, besides having a good knowledge of the relevant market, must be clear about its 'patience' level, i.e., the timespan in which it would like to see a positive bottomline for the new super premium brand and for the business as a whole. Arun Raja gives the impression that he has all support from the headquarters to go for the long haul. On the other hand, there is not enough evidence to suggest that he has done sufficient homework. It is also important to be conscious of the capital investment involved in this route and understand the likely consequences of failure in financial and organisational terms.

Coming now to marketing, I sympathise with Tahil who seems to be having a difficult time convincing his boss to adopt his strategy. It is interesting to note Tahil's concern about the bottomline when he says that "if the super premium product fails to make a mark in three years' time, the company's image will take a beating."

To me this reflects his better understanding of the bigger picture. His perceptions about the market and the targeted segment are very sensible indeed.

His advice to the CEO on the emerging rich and the super rich, supported effectively by the recent examples of Reebok, Kellogg's and the like, about high pricing and the related consumer resistance, are valuable. He could have also highlighted the fact that the rich and super rich Indian families normally have servants using the refrigerators, unlike in the West where a refrigerator is a convenience for direct use and, therefore, commands much greater sensitivity about the value it offers.

This is not to say that Tahil is not for the premium range. What he is reasonably and sensibly trying to suggest is the need to go in for a volume range first to build and se-

Sarin's advice is clearly casual as he has no stake in this important decision-making process.

Raja obviously needs to get closer to reality. His argument about the existence of a clear segment of super premium and super label conscious consumers is superficial, because he supports that by quoting the target segment size of 3.8 million, without relating to fulfilling a consumer need and quantifying this.

His logic of wanting to "build brands first and volumes will follow" sounds great but it is not corroborated by any statement about meshing with the business strategy wherein the bottomline must figure as a vital outcome. His summary rejection of the entry into the volume segment by saying 'yet another product but 25% costlier' rather than thinking about providing additional value for that extra price depicts a

Arun Raja, the CEO, needs to develop a thorough understanding of the Indian market. His perception of the super premium segment is rather superficial

cure a base for viable business before embarking on the small-volume, high-risk super premium product range. Although the performance of the three- and four-door refrigerators is not clearly spelt out in the case, the silence or lack of an expressed excitement about the performance of these products does seem to strengthen Tahil's argument.

Tahil's friend Sarin is obviously playing more on the ego factor when he eggs Tahil on not to be an 'also-ran' while deciding on the marketing strategy. Though he does use facts to support his argument (Tanishq being launched by Titan), his reasoning is not appropriate because the premium end of Titan has established a viable volume-based business.

rather shallow understanding of the Indian market.

Overall, Raja may be miles ahead in terms of his marketing ambition, but he needs to sober down to make sound business decisions. Towards that end, he needs to develop a greater understanding of the ground realities in the marketplace, including more in-depth knowledge and experience of other companies that are going, or have gone, through the mill. Tahil, on the other hand, would do well to be more confident of the course he is recommending. It is time for him to realise that the squash court is a good place for a workout, particularly after a bash with Raja, but not for taking his squash partner too seriously!

The Cola Trap

Perron Cola was introduced to complete Dewrell India's portfolio of soft drinks and boost the offtake of its orange and lemon drinks. But that goal changed over time

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■ MEERA SETH

VIREN Mitta felt happy as he drove back from the airport. Every half kilometre or so he saw a Perron Cola hoarding and by the time he reached his office, he had sighted nearly a dozen of them. Mitta was the CEO of the soft drink manufacturer Dewrell India and Perron Cola was its latest introduction. Dewrell also manufactured Toff, an orange drink, and Quench, a lemon drink. Four years ago, when Toff was poised for a launch, Arun Kurien, the then CEO of Dewrell, was apprehensive about its success in a market that was caught in a marketing war between two large American cola companies, Dappy and Bart.

Both Dappy and Bart were predominantly cola companies although they were also present in the orange and lemon segments. Colas were popular with the teenage crowd, the most important consumer segment in the soft drinks market. So, when Dewrell decided to launch an orange drink, Kurien was sceptical about the strategy. But Mitta, who was then general manager, was convinced that Toff was a sure winner. "Markets are not black, orange or white. They are adults, teenagers or children," he said.

Kurien, however, was emphatic that Dewrell should enter the more saleable cola segment which held 50% of the soft drinks market. But Mitta was not ready to walk into what he thought was the cola trap. "Though it's an orange drink, Toff will take on the same imagery of a cola. The American colas cannot fight back with their orange drinks in the same segment because they have defined the teenager segment very narrowly as black and cola," he reasoned. Their orange drinks were targeting children and could not readily upgrade, he felt.

More than Mitta, Dewrell's parent company in Greece was in-



sistent on entering the market with an orange drink. But Kurien was sure that in what was predominantly a cola market, Dewrell could not survive without a cola. "We will need a cola to complete our portfolio. It's like manufacturing biscuits and not having a glucose brand," he had said. That was four years ago. At that time, the Indian soft drinks market was scarred with damaged equities and distorted images. The price of survival in terms of marketing and advertising costs was higher than even in the more frenzied detergents industry. A new cola would be wiped out in no time, he had felt.

Today, four years later, Mitta had taken over as CEO and Kurien's words were beginning to ring true, though for different reasons. Dewrell's image had gained in leaps

and bounds on the strength of its orange drink, Toff. But the American giants were waging a distribution war that was weakening Toff's position and there was a discernible slowdown in the retailers' offtake of Toff.

When he did a round of the markets in Delhi in peak summer, Mitta saw that Toff's brand saliency was weaker and the stocks at retail outlets were small. Said one retailer: "The demand is much more for a cola and when the Dappy and Bart trucks come, we are forced to accept their orange and lemon drinks too. Toff is very good and people ask for it by name. But I can't stock everything. If Dewrell had a cola it would be easier for me to stock Toff."

The logical thing, felt Mitta, would be to add a cola to the product portfolio. But Dewrell was not a mainline cola company. Globally too, it was known as a non-cola company. But when he saw its international portfolio, Mitta came across cola brand Perron, which was very successful in a few markets like west Asia and Africa.

Mitta had found the solution, he would bring Perron to India.

The decision to launch a cola was met with surprise by Dewrell's marketing team. "Even the cola companies have a large non-cola segment because they have to have a complete range," Mitta explained.

"When we say Dewrell is a non-cola company, it only means that our thrust and focus is on non-cola drinks. Since that business is



The low-priced Perron could not match the upmarket image of the other two cola brands

now well in place, we must logically add a cola to our portfolio," he said.

Explaining his rationale, he said: "Cola constitutes 50% of the market. So, a retailer must have a cola in his basket of offerings." If he stops a Dappy or Bart truck for colas, he will be compelled to take their orange and lemon also. If we have a cola in our product line, it will give our bottlers and distributors more volumes."

But Dewrell could not do with a cola what it had done with its orange and lemon drinks. A soft drink sold on three attributes: product differentiation, image and price. Perron didn't have a product differentiator and it wasn't easy to create one. Dewrell needed to invest a lot to create a distinctive image that exuded fun and youth to fight the images of Dappy and Bart. Dewrell could not afford that. Its funds were

earmarked for building the image in the non-cola segment. The only attribute left was price, and Mitta decided to price Perron at Rs 6, which was 25% cheaper than other colas. "Let's take them head on with price," he told the marketing manager, Vishvesh Vaidya.

PRICE as a differentiator had worked for Perron in markets like Zambia and Zimbabwe. "There is no other consistent, sustainable way of selling Perron. We don't want to make money on the cola: that's not our core business. But profit is not the only reason why a brand is launched. In our case, Perron will give distributors and bottlers more volumes to spread their costs. In some way, it will also make it difficult for the competitors' non-cola brands to enter retail outlets where our non-cola brands are being stocked," he said.

"But can we sustain the low price?" asked Vaidya. "There could be a counter-offensive by the competition on the price front. If a brand is priced lower than ours, do we reduce the price of ours further?" Mitta had no cause for worry on this count because, as the costing showed, Dewrell had gone down to the bone on Perron's price. It was impossible to price a drink below that level.

Also, Mitta felt that the cola giants would not respond by cutting the prices of their mainline drinks because if they did so, it would take away their focus from the non-cola business. "If they start fighting Dewrell on the cola front, their focus on non-colas will get diluted. If we can engage them in a price war in colas, it won't hurt us but it will upset their apperance," he said.

"How do you communicate a low-price brand? We cannot say we are cheaper," said Vaidya. They looked at it for a while and finally decided on a very intriguing communication tack. "Dappy is the most recognised brand. They use these spoofs like 'drink the right drink', or 'just smart and Dappy'. So, we do a Dappy on Dappy. Their lines are too clever and too smart. We simply ride on them wearing a clown cap! We should not sneak our line into little crevices and hope that somebody will notice it. Instead, we should go upfront and yell. Go the whole hog and scream! Only then will it get noticed," said Mitta.

Vaidya set to work. He called in the ad agency and together they twisted the Dappy lines to make them sound even more clever. One spin-off of riding piggyback on the Dappy lines was a subtle suggestion that 'we are also a cola, we are also good, and finally, a cola is a cola'.

Vaidya wanted visibility and awareness. He wanted to make a splash in the market. TV was out; it was a very expensive medium. "We will use a medium that costs less but is highly visible," he said



to Mitta. "For instance, hoardings are the cheapest medium today."

Mitta agreed. He was convinced that a brand could be built without advertising in the leading newspapers. He decided to side-step them all and stick to hoardings even for the lemon and orange brands. The power of hoardings was visible in the way Dewrell's orange and lemon brands were built and now he was going to repeat the same formula for Perron.

Indeed, hoardings were the most inexpensive medium. When the finance companies went bankrupt and the liquor companies were banned from advertising, the demand — and the rates — for hoarding sites dropped drastically. Mitta hired 150 hoarding sites in Mumbai on a long-term contract.

The ploy worked. Within three days of the Perron campaign breaking, it became the talk of the town. Almost everybody, whether they were cola drinkers or not, had seen the hoardings. The media went berserk over the low-priced Perron. The brand drew a lot of responses, both negative and positive. Some said Mitta was being ambitious while others predicted that Perron was going to fall flat and lose its fizz.

MORE than the brand itself, the media's attention focussed on the advertising. Though it didn't examine the brand's qualities, everyone was awed by the gumption of an upstart brand which dared to make fun of the American major. Perron did not 'run down' competition, yet it was enchantingly 'original'. The Perron lines drew more laughs than the originals. More importantly, they drew attention from just the segment Mitta wanted — the teenagers, the rebellious, fun-loving college students and schoolchildren with a penchant for the comic. Some found Perron's bid to clone the more stylish Dappy very endearing, even fashionable. Though it was a marketing offensive by a multinational company, many felt that it was very Indian in approach. Of course, there was no dearth of those who scoffed at it, branding it a downmarket tack by an upstart brand.

Initially, the ads underplayed the corporate identity of Perron. The name Dewrell appeared on the hoardings, but in very small lettering. As Mitta reasoned, Dewrell stood for the more successful brands like Toff and Quench. The intention was to stress Perron's price and not attempt to build on any other attitude, including the corporate name, lest the Dewrell name lose its premium image. So, after 10 days, the hoardings dropped the corporate name.

A month later, Mitta and Vaidya had a fresh look at their advertising ploy. It was okay to use a spoof on a major cola brand as an initial tack to draw attention, but it could not be a long-term strategy, they agreed.

One of the first things Vaidya did was obtain consumer reactions to Perron. Some typical responses to a cheaper cola really showed how far the image of the major international colas had influ-

enced the consumer's mind. "This is not the No. 1 cola in the US, so I don't want it." Or, "Look, I travel abroad thrice a month and I am more comfortable with the bigger international brands."

It was clear to Vaidya that the consumers were taking the cola and its image a little too seriously. What did their status have to do with the cola brand they drank, he wondered. "Image is as easily built as it is destroyed," he said. "It is as easy to believe as it is to disown its role in your personality." After all, the traditional belief in India was that the spirit — not his name or clothes or vocation — was a person's real identity. So, the underlying message he sought to sell through Perron was: "Don't take the image so seriously. A cola is a cola."

Vaidya felt that the myth that cola marketing was all about image marketing had to be shattered. When a consumer drank Dappy, he associated himself with celebrities like Shahrukh Khan or Sachin Tendulkar who endorsed the drink in its ads. Dewrell must change this perception, he felt.

But Mitta felt that a consumer who reached out for Dappy was, in fact, reaching out for a magic that would make him a Shahrukh. "What he is drinking is actually outside the bottle," he told Vaidya. "What is consumed is not in the bottle," he said. "It's all outside. I could very well pour Bart into a Dappy bottle and the consumer will imbibe the values of Dappy. That's what a cola is all about."

Mitta was not aiming at market leadership or a huge market-share for Perron. His thrust was to provide volumes to his retailers and bottlers. "We can do that by pricing Perron at Rs 6. That way, Perron will enter more stores, more homes and get a larger share of the Indian market," he said. At the same time, he did not want consumers to feel that at Rs 6, they were drinking a spurious or sub-standard cola. The benefits were two-fold. At one level, the consumer would be drinking a quality cola from Dewrell. At the other, it would bring home the realisation that the cola image is merely psychological, he felt.

Yet, the major colas were spending enormous amounts to create that very image. "Every one time you say: 'Don't take image seriously', they will say a hundred times: 'Take image seriously'," said Vaidya.

"But each time we reiterate that the image is not to be taken seriously, there will be at least 50 people who will buy that argument, and what this does is create a ripple, a noise in the system that seeks to sell image," he argued.

Mitta felt that the tack would benefit both the company as well as retailers. A retailer could sell Perron at even Rs 8, which was the price at which the other colas sold.

"Would a consumer buy Perron at Rs 8 when the hoarding clearly says it is priced at Rs 6?" asked Vaidya.

"Because he will accept anything that is available, provided it is chilled. And if the retailer has only Perron, the consumer will accept it, even if the retailer charges a rupee or two more.

That's happening in the case of Dappy or Bart. Nobody drinks a warm soft drink," said Mitta.

Both Dappy and Bart were priced at Rs 8, but the retailer also charged for chilling it and sold it at Rs 9. Even so, Perron could be sold at Rs 7-8. The retailer stood to gain both ways. If he sold Perron at Rs 6, he would get volumes. And if he sold at Rs 8, his margins would go up.

Vaidya wooed the retailers. The trials were very good and the retailers enthusiastically stocked Perron. After all, a price warrior was always welcomed by the retail fraternity because it offered huge volumes. The price itself was such that it

The trials were good and retailers enthusiastically stocked Perron. After all, a price warrior was always welcomed by retailers as it offered huge volumes



did not take much to push the brand.

When the responses of the informal customer survey came in, Vaidya found that the brand awareness had sunk deep and teenagers and school kids were accepting it as a good and less expensive cola. But there still was a segment which looked down upon a cheaper cola with disdain. "If you must drink, drink the real thing. And when you want the real thing that the biggies drink, why scrounge on a Rs 3 difference?" asked one college student.

Vaidya now realised that drinking a cola was stylish, 'in', 'independent' and terribly American. So, if you were drinking a cola, be it Dappy or Bart, you were drinking tough American brands for which you paid Rs 8. That very act made a statement about the consumer's values. Drinking a Rs 6 cola sent out messages like: "I am not brand conscious, I am price conscious, (and so) I am not trendy, I am not westernised...."

While Dappy and Bart were great image deliverers, Mitta could not have Perron destroying the self esteem of its consumers. Worse, the media had labelled Perron as an unoriginal, copycat brand. Vaidya could now see how deeply the American colas had penetrated the beliefs of the consumers. "They drink their brand of cola to feel American, to feel trendy, to be seen as people who are well-travelled and have an international outlook. A cola does all this for them. But what is wrong in being less-travelled, in being *desi*, in having to live with a certain budget? Nothing. We have all done it. And we are Indian and no cola from anywhere can change us into Americans. So why let an American cola kid us with imagery and make-believe?"

This debate gave birth to a new campaign for Perron. Analysing his approach carefully, Mitta said: "Definitely people are image-conscious. So, what they drink, what they wear, where they are seen are important for consumers. Which is why, you have people paying for labels. If Levi's sells at Rs 1,200, much of that premium is for the label which grants the wearer an image distinct from one who wears a pair of Newport jeans. Therefore, what I drink also makes a statement about me. If this is image, let's make fun of it."

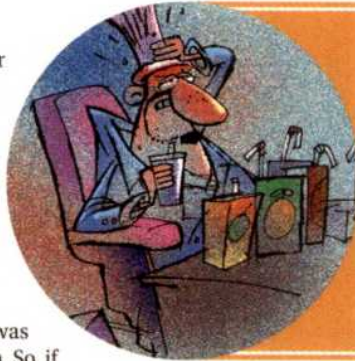
THE new campaign took a dig at the image by hitting out at the attitudes of people who preferred to buy the more expensive American cola brands. "But I shop in Paris!" (implying 'I don't need a cheaper cola'). Or, "they don't serve it in my club" (implying 'it is not upmarket enough'). These statements reflected the mindsets of those who rejected a cheaper cola. Mitta threw in a punchline: "So, what, it's still six bucks!"

"That's a tricky tack. It could be seen as defensive," suggested a reporter. "It is the price that will eventually sell," reiterated Vaidya. "Defensive, downmarket, cheap, copycat,... no problem, it is still six bucks. No one can match that."

Perron was a rebellious, fun brand which proudly said: 'We are like that only.' Perron was encouraging consumers to rebel, daring them to agree that being economical was not *infra dig*.

But all along, the concern of industry watchers was how the competition would react. It was not easy to predict, as both Dappy and Bart were tough, global majors with deep pockets. Only Mitta was confident that they would not react. "They will react to something big, but not to a small brand like Perron. If they react, they will only be giving us credibility. They will have to ignore us," he said.

Vaidya was confident that Perron, which especially targeted the youth segment, would impact the competition. "India is a young country where 60% of the population is under the age of 27. So, the



Perron was a fun brand which said: 'We are like that only.' It was encouraging consumers to rebel, daring them to agree that being economical was not *infra dig* anymore

dent Perron will make in the marketshares of Dappy and Bart cannot be ignored," he said.

Meanwhile, in a quiet experiment to gauge the reaction to a third cola, Mitta launched Perron in Chandigarh. The retail price was fixed at Rs 8, including a retailer margin of Rs 2. It was an attractive proposition for retailers. They started pushing Perron and almost stopped stocking the other cola brands. Within days, Perron was selling just as well as the other colas.

But for all that, Mitta knew that the ploy could only sell the brand to the retailer, and not the end consumer. At a selling price of Rs 8, Perron had nothing unique to offer to the consumer. "What is our differentiator?" he asked Vaidya. "Perron has to stand out distinctly and that is possible only if we can sell it to the end consumer at Rs 6. At Rs 8, we have neither a price nor a product differentiator," he said.

In Chandigarh, Perron sold simply on retail push, fuelled by the high margins the retailer was getting from it. Mitta was in a dilemma. If this ploy worked in Chandigarh, what should he do in the other markets? Should he revert to the Rs 6 price, and reap huge volumes which could afford advertising? Or should he retain the Rs 8 price and reap retailer loyalty, but without any advertising communication?

Mitta decided to wait and watch before choosing his final strategy. "What is our objective in launching a cola?" he asked. "We are certainly not aiming at market leadership. We just want our bottlers and retailers to get volumes and get a complete portfolio from us. Ultimately, I want a presence in that category and if the retailer is going to get the greater share of the margin, so what? I want volumes and I am getting them. I want a cola to support my non-colas. The retailer today is saying that when the Dappy van comes to deliver cola brands, he is compelled to take its orange and lemon too, which reduces his offtakes of Toff. We want to protect Toff; Perron is only the white knight."

One thing that stood in Perron's favour was the general tide in the soft drinks industry. The general liquidity crisis in the economy impacted the soft drinks industry too. That was made worse by the summer of 1997 which had been cooler. More importantly, there had been a 35-40% increase in soft drink prices which the consumer was resisting.

In such a scenario, a 300 ml bottle of Perron at Rs 3 less than the competition was certainly an eye-catcher. Both Dappy and Bart planned to introduce 200 ml bottles at Rs 6. Here too, Perron had the advantage because it was offering 100 ml more for the same price.

Then again, the American majors had enormous bottling clout. On the other hand, Dewrell was coping with independent bottlers. If Mitta had one ace, it was the high margins which Perron could offer the retailer, something the other colas could not match yet. But the big question was: could Mitta sustain Perron's success? ■

ANALYSIS I: SHUNU SEN

Let Perron Be

Shunu Sen is president (marketing services) and group marketing advisor, RPG Enterprises. He had earlier been marketing director of Hindustan Lever and retired after 35 years of service.



DINESH KRISHNAN

WHEN I was a young man, I was taught that marketing was all about creating consumers at a profit. Marketing guru Peter Drucker said so, the textbooks said so, and even my boss said so. We now have a case where the objective of the launch of a brand, Perron Cola, is not the creation of a consumer but the establishment of a distribution channel; not the earning of profit for itself, but for the lead brands in the company's stable.

On the face of it, we have a simple and well-executed strategy. A range of soft drinks has had a good consumer response but is losing distribution width and depth because of the battle of the big colas. I am not quite sure why this should be so; because if anything, the attention of Dappy and Bart would be diverted from their minor brands. In spite of the cola battle, Dappy and Bart are stocking outlets with non-cola drinks.

The strategy adopted by Mitta is to launch cola brand Perron in order to complete Dewrell's product portfolio in India. And the manner in which this is done is simple. Dewrell would launch a cola at a significant price discount in comparison with the majors; and then develop advertising which would taunt the majors and their consumers.

An interesting point to note is that when a small brand decides to fight big brands on price, it is nearly impossible for the big brands to follow suit. This is because the losses of the big brands at a low price, with their higher overheads and advertising cost, would be large, indeed, very large in comparison to the small marketer for whom this is, at best, a marginal brand. Perron's case is similar; it is not the main-

line brand like Dewrell. Hence, the price wars which are not normally a route to be followed by the major players can be a powerful weapon for the small man whose interest lies in other products categories. Clever! Clever!

A good strategy is one that succeeds. And Perron has succeeded as it was sampled widely and seems to have the potential of developing a core consumer group which appreciated the Perron attitude.

At this stage, the objective of the business seems to have changed. That is the first danger signal. Mitta seems to be developing a whole new strategy for his cola in trying to fight the other colas in the market. Now his objective is to establish Perron as a brand which takes the mickey out of Dappy and Bart. This is being done by taunting the image and positioning of the big colas. That is mistake No. 2. Moreover, Mitta goes into the whole set of marketing

route. He got it right the second time round when he chose to participate in the cola category to complete his portfolio. He got it right yet again when he chose to have a low-priced cola.

He should now leave it there. Instead, Mitta appears to want to continually tweak his original strategy. For instance, he has made his point on the image of the American cola. No sense now in hammering home the point. He should now simply stay with the 'new' image he has crafted for Perron — a low-priced, low hype and low-budget cola.

Then again, his contemplations on touching up Perron's future personality is also wasteful. The face of Perron has already been crafted. I would like to tell Mitta not to speculate anymore.

Lastly, differentiating the retailer strategy in different markets is harmful. Surely, he does not want Perron to become a re-

At this stage, the objective of the business seems to have changed. That is the first danger signal. Mitta seems to be developing a new strategy for his cola in trying to fight other colas

introspection regarding what Perron is, what it will become, and what it should become. This is a waste of time and is, clearly, the third mistake. Finally, Mitta begins to twist Perron at the same price as the cola brands. But he does not support it with advertising but allows the retailer a huge margin. Those are mistakes No. 4 to 10.

Mitta had got his objective right the first time when he chose the non-cola

gional brand? Perron needs a consistent national image, both at the consumer level and the retail level. Experiments such as the one in Chandigarh are not meaningful and are a waste of time, because the intent is not to price the brand on a par with brands like Bart or Dappy.

Mitta is falling into trap like most marketing managers and marketing directors. First, they set an objective (that's good). Second, they meet it (that's great). Then they screw it up (happens quite often). Mitta is a good marketing person but is going the way of those guys who would not, could not and just did not leave the good work he did, alone.

My advice to Mitta: let Perron be and concentrate on Toff. That was the whole idea, anyway, wasn't it?

Mitta got his objective right when he chose a non-cola route. He got it right again when he added a low-priced cola to Dewrell's product portfolio. He should now leave it there

...BACKWARDS

understood be
only can but,
forwards lived
be must Life.”

KIERKEGAARD SOREN

Annie Walker

Business Case Studies 2001

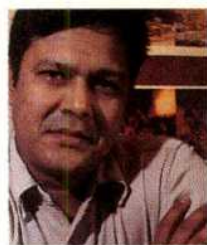
KEEP WALKING



ANALYSIS II: SAMIT SINHA

Stress The Price Bit

Samit Sinha is the senior vice-president and general manager at Clarion Advertising. He also heads the agency's account planning function.



CURINDER OSAN

In a category where the product being offered to the consumer is essentially sweetened carbonated water, brand image isn't everything. It's only one aspect. Of course, this is a bit of an exaggeration and is not meant to undermine the importance of product quality, distribution, and pricing. But it helps to drive home the point. The category itself has been somewhat tightly defined here as carbonated ready-to-drink beverages (not including soda water), and not as soft drinks. Which means that milk-based drinks, fruit-based drinks, juices, syrups, squashes and concentrates, which are, in many respects, an entirely different ballgame, have not been included. Therefore, all further references to the category pertain only to bottled (or canned) cola, orange and lemon drinks which have been its traditional constituents.

First, let's briefly examine the other contributing factors before arriving at the issue of communication, crucial for the brand's survival in the long run.

Dewrell's business strategy suddenly seems to be absolutely sound. Even though cola dominates the market, 50% of the market is still non-cola. It makes far more sense to operate in a segment where the battle for supremacy is not as fierce as between giants like Dappy and Bart. To make matters more difficult for a new entrant in the cola segment, the makers of Bart have flanked the segment with an already strong local brand, having bought it some time ago. This makes it an even more sagacious strategy to become the leader in the non-cola segment with a good product and a distinct brand image rather than jostle for space as a me-too brand in the cola segment.

Research in India clearly throws up two consumer segments by age, roughly corresponding to the two main flavour segments. Orange is preferred by young children, white lemon (clear or cloudy) is favoured more by older consumers. As a result, one needs representation in both the flavour segments to have a chance at large volumes in this category. Both Toff and Quench, particularly Toff, have been well accepted.

The launch of a cola by Dewrell in this scenario was a pure distribution-driven step imposed by the retail trade that was

being forced to keep the lemon and orange drinks of the cola majors at the cost of Dewrell's shelf space. The strategy of keeping the big boys occupied in a cola war while Dewrell makes money in the non-cola segment is like converting a threat into an opportunity by stirring up the cauldron in the cola segment with yet another sustainable brand. Good thinking again.

In such a scenario, one cannot argue with the strategy of making pricing the main tangible differential for Perron. It eases distribution and helps generate consumer trials. But the latter will happen only in a limited way, because it is not a commodity product. The pricing and distribution strategies in that respect are enmeshed — the pricing primarily helping Dewrell regain valuable retail presence not as much as Perron as for Toff and Quench.

Let's take the product for granted. One interesting phenomenon in this segment with relation to the product is that while there is no established standard for how a cola drink should taste, one is better off operating within a narrow taste spectrum.

That essentially leaves only the communication factor. Let's take a simple matrix where, on the y-axis, the two ends of spectrum represent high and low involvement, and on the x-axis the two opposites are the rational and the emotional. It's easy enough to see that as far as the x-axis is concerned, the category of carbonated beverages clearly belongs to the emotional half of the matrix rather than the rational half.

The \$64-million question is whether carbonated beverages are high- or low-involvement products. Let's compare it with some examples of emotional products. It is certainly not as personal, as visible and as much of a statement as a pack of cigarettes. But, on the other hand, there is definitely a far greater sense of empathy and identification with a brand of cola than, say, is the case with toffees.

If we take the mind, the heart and the muscle as three separate responders to communication stimuli, the responses being to think/learn, to feel and to do/act, respectively, then we must appreciate that the order in which this happens is different for each quadrant as illustrated here. This is

a model born at Foote, Cone & Belding.

It is safe to assume that this is a moderate-involvement emotional category, it is inappropriate for the brand to merely trigger a reflexive, leave alone rational, response. The consumer must feel a certain amount of emotional empathy and emotional bonding with the brand's personality. Which implies that while it's all very well to make its price its USP (and certainly does its job of making people sit up and take notice), the brand will need to quickly develop and establish a clear and distinct position and personality to carve out its own psychographic consumer segment.

What are the options? In most parts of the world, Bart is the all-American cola. Ubiquitous and full of wholesome, old-fashioned fun. Dappy appeals to the younger consumers — fun, but in a more irrelevant and rebellious way. The local brand exploits a high-action, adventurous, and daredevil personality with just a hint of patriotic sentiments. So, what could Perron hope to mean and to whom? Since the large marketshare in the cola segment is unimportant to Dewrell, Perron could think of becoming a strong niche brand with its position and personality emerging from its tangible USP of price. This means that as a conscious policy, Dewrell will always have to keep its price lower than the others on a per millilitre basis, regardless of pack size. It should rely on inverse intellectual snobbery that exists among many consumers to make a statement by smoking Charminar cigarettes. This approach lets the consumer state that "I am too evolved to be influenced by the image created by advertising. I consume a product because I like it and don't waste money just for the sake of a label."

The communication should be consistent with the theme and should justify the lower price by deliberately being in cheaper media, with low production values. Hoardings instead of TV. Black and white advertisements instead of colour. An obviously low-budget look rather than a high-gloss look. No expensive locations or models. No celebrities. The underlying message being, 'we are able to give you as good a product at a lower price because we spend less on non-essentials — like advertising'.

EVEREADY

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Skin Deep Loyalty

A success in the past, Taru all-purpose cream was finding it difficult to retain its position as the consumer had started flirting with global brands offering specific skincare benefits

This case study was first published in BW, 7 October 1998

■ MEERA SETH

VARUN Krishnan had an uneasy feeling as he read the headline of the article. 'No reason to smile', it said ominously. The article was about his favourite toothpaste, Colgate, and how its marketshare was declining. Memories of his childhood came back to him. Colgate had been his favourite brand ever since he had learnt to say 'toothpaste'. His mother dreaded the prospect of allowing the four-year-old to use a toothbrush. She would scrub his milk teeth with a pink tooth powder bought from the local *paan* shop. Then she would squeeze out a pea-sized amount of Colgate toothpaste on his forefinger and allow him to experience 'brushing' his teeth himself.

When the final gargle and rinsing were done, she would bring her ears close to his mouth and listen carefully as Krishnan ran his finger over his sparkling teeth. The squeaking sound was conclusive evidence of a job well done.

Now, as he read the article, his heart sank. His toothpaste — his mother's and grandfather's toothpaste — was losing out. Apparently, though Colgate was still being used by a large chunk of people of his generation and that of his 63-year-old mother, the generation under 30 was opting for the more contemporary rival brands. And research said that this younger generation com-



prised almost 50% of the total population.

Krishnan, who was the commercial head of the personal care division at Delaware India, was worried. Not only because his favourite brand was slipping, but also because Delaware's skincare brand Taru was probably in the same boat. Like Colgate in the dental-care market, Taru was also puffing and panting to retain its position in the skincare market.

Joydeep Rudra, the profit centre head of Delaware's skincare division, felt that Colgate's problems were bigger than what they seemed. "Colgate is not only failing to attract the younger consumer, it's also losing the loyalty of its older consumers."

That bothered Krishnan immensely, because his division's bottomline was dependent on the loyalty

of consumers of the Taru range of moisturisers, cold creams and vanishing creams. To make matters worse, Delaware had tied up with Progg of Germany to launch its premium Lara range of skincare products. While Rudra wanted Taru to be replaced by Lara, Krishnan privately grieved over Taru losing revenue. The Taru brandname, he felt, had tremendous brand equity and he could not fathom how Lara could establish itself in a market that was already saturated with offerings from Revlon, Coty, Oriflame, Shahnaz Husain, Biotique, Lakme and Pond's. "The whole concept of brand loyalty will go out of the window," he told Rudra. "Can any of these expect loyalty? Most of these brands have introduced new categories in cosmetics which had not been even heard of before in this part of the world. The consumer has been deluged with variety."

"Variety is good for business, Krishnan," said Rudra. "But how much can a consumer buy and how does she choose?" asked Krishnan. "This week she sees Coty's skin replenished cream and buys it.

Next month, just when she is midway through the Coty cream, Revlon announces the radiant moisturiser that promises to keep her skin glowing. So, off she goes and gets herself a Revlon. She is moving across brands and categories.



The brand was not only failing to attract young consumers, it was also losing its old customers' loyalty

She is hardly conscious whether it is Revlon's skin toner or Lakme's age-defying cream. And then, yet another brand enters, announcing some other benefit for her skin. So, loyalty goes for a six. Why, she is even unable to say which brand delivered what value."

"It is too early in the life of the category to expect that," said Rudra. "The relationship between a consumer and her brand is somewhat similar to the relationship between two individuals. You do not become friends with somebody in the first interaction. Only after sustained interaction do you start distinguishing between friends and acquaintances. And then you are loyal to him. Soon, you have a group of friends. Something happens with a brand. How can a consumer become loyal to a brand she has used just once or twice?"

"Coty, Oriflame and Revlon are not mass products. Take Coty's under-eye cream, which is priced at Rs 100 for 34 gm. It will take time for such an expensive product to become part of the consumer's arsenal of skincare products. Even the usage is different from how the manufacturer intended the product to deliver the promised benefit. For example, most women used Fair & Lovely very sparingly. A small dab on their chin, cheeks and forehead and not all over the face and neck. Given her frugality, it will take time before she becomes loyal to new, expensive brands," explained Rudra.

KRISHNAN could see that in the new categories, brand loyalty would come only after the consumer felt the need for the product and incorporated it in her usage pattern. Why, Delaware's research had shown that even in the high-income bracket, there were many who still hadn't felt the need for shampoos even though the category had been around for decades. They still used soap to wash their hair. Hence, it would be some time before a consumer began to regularly use the expensive under eye lotions and age-defying creams and find them indispensable. "Loyalty," went on Rudra, "is only the third stage of a category's lifecycle. The first stage is inception, followed by growth. We can't expect loyalty in these stages."

Listening to Rudra, Krishnan felt that brand loyalty was a myth. Taru had been in its third stage when its consumer started switching their loyalty to other brands. Ditto for Colgate. "For close to 60 years, a massive 70% of the consumers were buying Colgate. Where have they gone now?" he asked.

"The bigger the brand, the more heterogeneous its consumer set," said Rudra. "So, a new entrant could grab marketshare with an unfulfilled need. Colgate was addressing two needs — stopping bad breath and fighting tooth decay. One is a cosmetic need, the other a functional need. So, Colgate was riding two horses."

"Taru has the same problem," he continued. "We have not defined its benefits. In a mature market, consumers define their needs in a more specific way as brands offer a specific value-delivery. So, there is a cream for blemishes, another for nightcare, yet another for under the eye. Taru can't stand for everything," he said.

Rudra felt that Taru was even more unfocused than Colgate. An all-purpose cream could not withstand the onslaught of the bigger brands which offered variants for specific benefits. It had done well in the past because the consumer had little choice. Now the bigger brands were carving out niches. Coty, for instance, had chosen youthfulness as an attribute, sharpened the edges, and met a consumer's unfulfilled need. Close-Up and Pepsodent did the same

thing by homing in on the social aspect of bad breath among youth.

Besides, Delaware had not done anything new with Taru. Colgate had launched gels and other variants. Similarly, even though the familiar red Lifebuoy was going strong, Hindustan Lever launched variants like Lifebuoy Gold and Lifebuoy Personal. But Taru continued to be a no-frills all-purpose cream.

RUDRA felt that Colgate lost out because it was slow in launching its gels. In the meantime, the consumer had a new friend: Close-Up. "Loyalty is possible as long as a brand satisfies evolving needs. Had Colgate Gel arrived sooner than it did, the consumer of the dental cream may have chosen it. But Close-Up gel came first, and also offered the added benefit of a mouthwash," Rudra said.

Rudra was bitter about Delaware's lack of investment in Taru's marketing. A company that wants to retain consumer loyalty must be attentive to the market and be able to anticipate consumer needs. Was Taru attentive to the evolving and latest consumer needs? Coty and Revlon were attentive. "Naturally, the harvest is theirs to reap," he said.

Rudra felt that to retain its consumers, a brand had to define what it was offering. Colgate rode on two propositions — stopping bad breath and fighting tooth decay — and came under attack. In comparison, Lifebuoy focussed on one — protection from germs — and retained its position. "If Lifebuoy had offered protection from germs and freshness, it might have had a problem."

"On the other hand, Taru had no clear proposition. The brand has gone stale; there is no fun in it," said Rudra. "Loyalty is about nurturing the relationship with the consumer. We didn't do that because our marketing was blinkered and somehow we did not realise that if the market was changing, our strategy, too, had to change. We did turn aggressive, but retained the old practices."

Rudra said: "If consumer behaviour is changing, so should the marketing practice. The standard practice is to define a target segment, develop a product and position it to attract that segment. The target is a sort of holy guide for the marketing man. But he doesn't recognise that the consumer may buy other brands. He wants to generate loyalty without realising that it is very difficult."

Rudra believed that it was possible for a brand to get on the approval list of the consumer. But getting him to buy only a particular brand was impossible. "Nobody will be 100% loyal to a brand," he declared. Krishnan was amazed. "You said 100% loyalty was a desirable objective. Then how do you work towards it?" he asked.

Rudra listed a number of loyalty schemes in the marketplace: "Collect five wrappers of Cadbury Dairy Milk chocolate and you get a cricket cap free." Such schemes are aimed at increasing loyalty. The customer has an incentive to buy a brand more often."

"If a consumer buys five chocolates, does he become loyal to Cadbury Dairy Milk?" asked Krishnan incredulously. "Isn't the whole idea to change his consuming habit so that he remains loyal to the brand? Wouldn't such schemes ensure his loyalty only for the period of that promotion?"

You can only make him loyal during the period of the promotion," Rudra pointed out. "He is already your consumer. You are rewarding him for being your consumer, but you are not changing his behaviour. Think of the habits you have. When was the last time you consciously changed a habit or adopted a new one? You may try to do it every year, but you fall off the wagon very easily. It's not that you are set in your habits, but we are much too busy to think about these things all the time."

Rudra felt that marketers believed that their brand was a lot more important to a consumer than it actually was. They had the misconception that he was going to think about it a lot. "But they don't," he exclaimed. "Most consumers want to get a little knowledge about a brand and are satisfied with that. Brands are extremely important to the brand manager or the marketing manager because they think about them all the time. But a consumer thinks very little about the brand," he said.

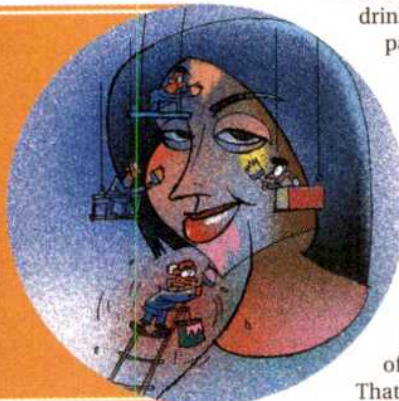
Krishnan wouldn't agree. He recalled the time when Pepsi's crown cap collection scheme was on. "My kids wanted to collect enough crowns for the cricket bat, the flip book, the leather ball.... Those days there were two things that happened at my place: one, we drank only Pepsi, and two, we drank a hell of a lot of Pepsi. The scheme changed our consuming pattern. We stopped buying the 1.5 litre plastic bottles and started buying the 300 ml glass bottles because the scheme was offered only on the crown cap of the 300 ml bottle. Then Coca-Cola came up with a scheme that was almost similar to Pepsi's. The next 30 days, we drank only Coca-Cola and a hell of a lot of it. So we were thinking of the brands all the time," he argued.

"No," said Rudra. "You were thinking of the cricket caps and flip books offered by them. Let me tell you, 100% consumer loyalty is a mirage. After 30 days of drinking only Pepsi, you and your family switched to Coca-Cola. So, what happened to your loyalty to Pepsi?" he asked.

"Are you saying that even if I give a consumer a continuous incentive to buy my brand, I cannot change his habits?" asked Krishnan. "Can a diehard Coca-Cola lover change over to rival Pepsi?" "You can't see this in isolation," said Rudra. "Some of your deepest prejudices and your fondness towards a brand will be a result of actually using it. So repeated use of a brand kindles a long-lasting feeling about it. Research shows that a consumer did not remember all the rational aspects of a brand. You remember only how that brand affected you. For instance, a consumer would remember whether he liked the taste of a fruit drink, or whether he developed a rash after using a particular soap."

"You must view cola campaigns from another perspective," Rudra continued. He felt these promotions were an attempt to get a share of the total fluids market. "People drink water, tea, coffee, *nimbu pani*, *jal jira*, sugarcane juice and so on. Coke and Pepsi want a share of that," he said. "I don't think they are targeting each other's shares. For instance, what is Coke trying to do? Worldwide, human beings drink 37 ounces of liquid per day. Coke has a 2% share of that intake and wants to increase it to 3%. That's the spirit behind these promotions, not de-

"Some of your prejudices and your fondness towards a brand will be the result of actually using it. Repeated use of a brand kindles a long-lasting feeling about it"



veloping loyalty for the cola brands," he said.

Rudra felt most categories in India had a long way to go before they attained maturity because penetration levels were pathetically low. "There is a huge untapped market there. It's only when the cola drinking habit attains a penetration of 90% that you can start talking of brand loyalty at its highest level. A slight increase in it will mean a slightly higher marketshare, but in terms of volumes, it will be gigantic since you are talking of 90% penetration.

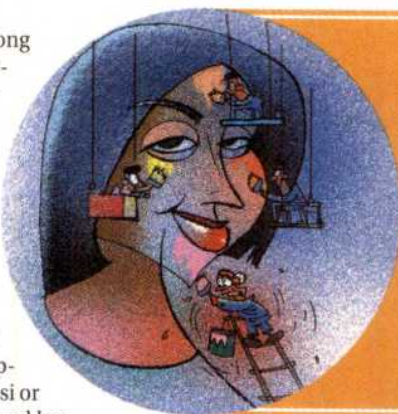
But today a cola would probably be a small portion in a consumer's total consumption of fluids. So, if a consumer stays with Pepsi or changes over to Coke, it is not because of brand loyalty" he said.

RUDRA also felt that the 100% loyal consumer thought less about the brands he used than the disloyal or polygamous consumer. "Take a consumer like me who buys a bottle of Black Label every Diwali to gift to my father-in-law. In a way, I could be called a 100% loyal customer of Black Label. But I buy the brand so infrequently — only on Diwali. I am not in the market for Scotch, I don't want to be educated on Scotch. I just want to buy my Johnny Walker Black Label. In other words, a 100% loyal consumer has an even lower involvement with the brand than one who is actively thinking about Scotch," said Rudra.

Krishnan had had a different experience. Unlike Rudra, who bought a bottle of Black Label once a year, Krishnan was a loyal and regular consumer of Flora cooking oil. Recently, his family had decided to cut down its expense on oil and to do that, decided to buy cheaper refill packs. The grocery store from where Krishnan bought regularly did not stock Flora refill packs. So Krishnan chose Sundrop because it was sunflower-based and available in 1 kg refill packs. "What happened to good old loyalty?" asked Krishnan.

Rudra mused. "In most consumer categories, you have a great deal of product parity. The differentiator is usually the brand image. Consumers may be loyal to certain kinds of packaging. For instance, there are consumers who prefer liquid detergent to powder detergent. Here the consumer's loyalty is clearly with the format and the packaging rather than the brand. The fact that after eight years of using Flora you easily changed over to Sundrop, shows your involvement with the brand was the least. You were loyal to sunflower oil, not the Flora brand."

According to Rudra, at a conscious level, a consumer did not think of the brand. "For example, cigarettes are very brand-focused," explained Rudra. "But a cigarette is a cigarette. The difference is when I put a pack of Marlboro on the table. Then the as-



According to Rudra, most companies sought to ensure brand loyalty by striving to retain the solus consumers instead of trying to create new ones

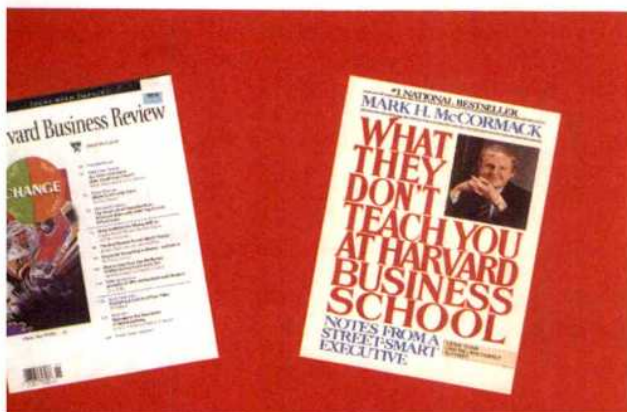
sociation becomes public and you tend to believe that cigarette smokers are loyal to their chosen brands. But in reality, if I go to a vendor and ask for Marlboro Gold, and he says he only has Benson & Hedges, I will take that because I want to smoke. So even though I may be enthralled by a cowboy image and want to be associated with a Marlboro, I am not 100% loyal. I am loyal to smoking, loyal to the category, but not 100% loyal to the brand. Now, do you see the point I am making?" asked Rudra.

"Does that mean that no brand can hope to have 100% loyalty?" asked Krishnan. Rudra said: "Every brand has X% solus users, Y% dual users and Z% flirts. The marketer needs to increase the quantum of solus users. So, within your brand you will offer better products which will attract the users of rival brands. The degrees will vary by category, but getting a new user will be 10-20 times more difficult than retaining an existing consumer. That is the fundamental premise of brand loyalty. And that is going to be Taru's problem," he said. "I can offer incentives to existing users to retain their loyalty, but I cannot greatly increase new users."

According to Rudra, companies sought to ensure brand loyalty by striving to retain the solus consumer than to create a new one. Thus, in a mature market, advertising addressed current users. Even the role of advertising in a mature market was different from that in a developing market.

"A loyal user's involvement with advertising is usually low. As a loyal consumer, you are not seeking any further reassurance from the brand advertising. But the ad is like a steady heartbeat in the background. Similarly, you have a relationship with the brand. When it stops talking to you, whether you are listening or not, you notice it. Good brands refresh the relationship by changing the looks and communication."

As Krishnan pondered over the future of Taru and his favourite toothpaste, one question kept on cropping up in his mind: is there life after losing brand loyalty?



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WHAT'S STOPPING YOU?

ANALYSIS I: ANAND HALVE



The Promiscuous Consumer

Anand Halve is the executive director of Quadrant Communications, a joint venture between the Kirloskar group and IPG of the US, which handles the business of Pratibha Advertising.

THE discussion between Varun Krishnan and Joydeep Rudra raises a host of interesting issues on the question of creating, and retaining, brand loyalty. The issues can be put into three categories: product-related, buying behaviour, and consumer psychology and societal change.

● PRODUCT-RELATED ISSUES

Product Innovation: If nothing changed in the attributes, performance characteristics and availability of products, there would be no 'pressure' for any change in consumer loyalty. But even within the area of product change, there are three different scenarios. In a scenario, where there is a basic change in the way the product works, brand loyalty is put to test. For instance, the competition to cassettes from compact disks. Or to valve-operated radios from transistor-based radio receivers. Here, the loyalty to all the brands offering the earlier technology will be threatened. While their success in retaining loyalty will largely depend on how fast and how well they can adopt the new technology, the most significant advantage will obviously lie with the first mover.

A similar test is the change in the 'definition' of the product function. From merely cleaning hair, shampoos are now used to prevent dandruff, repair damaged hair and condition them. Another level is the addition of less significant, but noticeable, improvements in the product. For instance, 'less greasy skin cream'. Marketers must keep in mind the possibility of these changes. Since changes like these threaten loyalty, it makes sense for the owner of the brand to make the necessary adaptations, rather than let someone else do it.

Creation Of Consumer Segments: Even as product changes take place, there is an opportunity to use them to create new segments in which the change-agent-brand can enjoy higher loyalty. The effect may be similar to 'pinching off' a part of an existing, loyal consumer group.

Brand Versus Product Range: A third issue

in product-based loyalty comes up when a brand introduces line extensions and flankers. In order to extend consumer loyalty to these products, there should be a common thread running through them. So Fair & Lovely has a better chance of gaining loyalty in moisturisers, than Anchor toothpaste, given its association with electrical fixtures. All product-related issues apply as much to new categories as to mature ones. There will be 'current users' for the new category even as new ones come in.

● BUYING BEHAVIOUR ISSUES

Transfer Of Power: One major reason for switches in loyalty would be changes in the decision-maker itself. So, for example, a 'loyal' Colgate family might switch to Close-Up, as the teenaged daughter takes over the decision-making process from the mother. Another change we are seeing is the growing number of categories where children are major influencers, if not the actual decision-makers. This factor is especially important in India where a large number of categories, even individually-used products, are bought as 'family choices'.

Rewarding Loyalty: The other area related to buying behaviour is improving the 'value' of every subsequent loyal behaviour', as in the case of 'reward points schemes' offered by credit card issuers and airlines. In such cases, the cost of acquiring a new customer is very high, and it makes sense to concentrate on retaining current users by increasing the 'cost of betrayal'. But as Rudra said, it's somewhat different in categories such as confectionery and soft drinks. Here, there is a desire for variety which goes against the notion of loyalty. In fact, in such categories, loyalty itself is, perhaps, better defined as 'share of purchase occasions' rather than 'consistent exclusive choice'.

● CONSUMER PSYCHOLOGY AND SOCIETAL CHANGE ISSUES

Consumer As King: As we see an excess of supply over demand in practically every

market and category, the power equation shifts to the consumer. The consumer is aware of this, and her attitude may be best summed up in the Americanism, 'What have you done for me lately?'. The issue of choice then, is not based on a long-term relationship, but in the next offer (or, a most, recent wooing).

Variety As Benefit And Need: Another dimension affecting loyalty is when the need for variety emerges in an environment of shorter attention spans. Where 'new' is an experience which has a value in itself.

Return To Basics: One of the effects of an unrelenting effort to maintain loyalty through product improvements and specialisation has been exactly the opposite of the intention. Fed up with the high-priced national brand of an under-eye cream for the left eye, the consumer has switched to the store label, basic skin cream.

● THE FUTURE OF LOYALTY

Indeed, as we are seeing even in loyalty-concept institutions such as marriage and the workplace, the notion of 'till death do us part' is dead: there are simply far too many temptations. Is there, then, any future for brand loyalty? Yes, there is.

I believe there are two routes which will determine brand loyalty in the future (Apart from keeping pace with technology. It will be necessary to keep doing this. But it won't ensure that you'll win.)

One, to 'own' a higher-order motivational area. In an age where product/technological/service parity exists, this could make a big difference. Look at anyone who owns a Harley-Davidson. The brand is not part of him, he is part of the brand.

And two, when the wide usage of the brand itself becomes a benefit and every new loyalist increases the value of being loyal. An example is Microsoft Software (Bill Gates is not the richest man in the world for nothing.)

Finally, I must say that both of these approaches can only work over time. Remember, there is no such thing as loyalty on a first date. ■

ANALYSIS II: BHASKER BHAT, JACOB KURIEN AND C.K. VENKATRAMAN

Difficult, Not Impossible

The following case analysis is presented by a team from Titan Watches comprising senior vice-president (sales and marketing) Bhasker Bhat, vice-president (marketing) Jacob Kurien and divisional manager (marketing) C.K. Venkatraman.



Is brand loyalty a myth? Was it possible for Colgate to have anticipated the way consumers were evolving, launched Colgate Gel earlier than it actually did, and retained younger consumers within its fold? Quite difficult, but possible.

So, brand loyalty is not a myth. It is extremely difficult to ensure continued consumption or use of your brand. But some companies seem to be good at this. What are the more successful companies doing that make them good at this?

They are keeping a close watch on their consumers. They are forever figuring out the changes happening in the lives of their consumers and what that portends for their brands. These firms are continually anticipating what they need to do to their brands to keep them fresh from the consumers' viewpoint. Also, once they have understood these, they move in fast, put in considerable resources into their marketing efforts and stay with the new thrust for years. They just don't give up.

In many such instances, the consumer does not necessarily know what he is missing. Often, it takes a manufacturer to show the customer what he is missing. LML and Kinetic showed the customer that a scooter is also about style and personal statement than mere transportation. Bajaj, caught in a similar complacency trap like Colgate, saw the trend late and launched products like Sunny defensively, thus losing the advantage. Does it matter that while Bajaj has lost a certain segment in the metros to LML or Kinetic, it has continued to do better in terms of sales and profits by penetrating into more towns and into lower socio-economic households?

Sure, in a country like India with low penetration in most product categories, it is possible for a company to keep doing better despite dwindling loyalty in big cities. But for how long can that happen?

Let's take Raymond. High-profile, visible and very corporate, for many years, Raymond was the quintessential pin-stripe office wear. Two changes have happened in the 90s in the corporate world — one, very few people are getting their clothes

stitched; two, loose, informal, comfortable clothes are becoming popular.

To some extent, Raymond appears to have anticipated the popularity of ready-mades and launched the Park Avenue range. And early on as well, much before the launch of brands from Coats or Arvind. However, today, Park Avenue seems to have a lower profile and salience, compared to Louis Philippe or Arrow. Has Raymond been going easy on this business?

On the other hand, Raymond does not appear to be taking the 'informal clothes' segment seriously. Either the company doesn't see this as an emerging trend or it has drawn up plans that it hasn't revealed yet. It is also possible that the sales and profits of Raymond, like Bajaj, are growing and, therefore, the company is not overly preoccupied with the changing scenario in the metros. But 10 years from now, the trend could well turn into a tidal wave, dramatically altering consumer preferences across

customer and to evolve a very disciplined and rigorous process by which it is always a step ahead of customer expectations. Such a company can be certain of loyalty.

So much about ways to build loyalty. What happens when a company is blind to changes in the marketplace, becomes complacent and loses the franchise of a certain segment? Can it win back the loyalty? Is there life after losing brand loyalty?

A lot depends on when the loyalty was lost and, therefore, for how long the consumer has been disloyal. In the case of Colgate, the Close-Up consumer has been disloyal for years now, with no real reason to move to Colgate Gel. It is, perhaps, impossible for Colgate to recapture that segment.

What Colgate can do, however, is to find out whether many of its younger consumers in the smaller cities, and from the lower socio-economic category, are likely to go the 'gel' way (the chances are they will take to it). If it concludes that they will

Brand loyalty is not a myth. While it may be foolish to expect all consumers to be loyal to your brand, it is possible to build loyalty among a large part of your franchise

cities and affecting Raymond as a result.

Is it practical for BPL to try and persuade every one of its consumers to have only BPL products in their homes? It is impossible, of course. But when a company has a division like that, it creates products based on the latest technology that delivers world-class performance, sets up a retail programme to make the shopping experience pleasurable and manages the after-sales support admirably. By doing all this, BPL ensures that its customers are delighted with it, and they will be virtually waiting for the next opportunity to buy another product from the same company.

So much of this depends on the company, the way it thinks, the way it acts. It is quite possible for a company with top management commitment to delight the

do that, the company needs to put in place a strategy which will catch those consumers before Close-Up does.

The lessons here are applicable to all of us — including Delaware. In conclusion, brand loyalty is not a myth. While it may be foolish to expect all consumers to be loyal to your brand, it is possible to build loyalty among a large part your franchise. To do that the company needs to keep in mind certain things:

- The firm needs to be totally consumer focussed — understanding changes, anticipating new expectations and delivering performance at all points of contact.
- It needs to be quick in its response.
- It needs to stay with its new course of action for a long time and commit money and managerial resources to it.

Impulsive Sellers

Kremmer Foods had made a name for itself in dairy products and processed foods. Could it repeat its success in an impulse purchase category like fruit drinks?

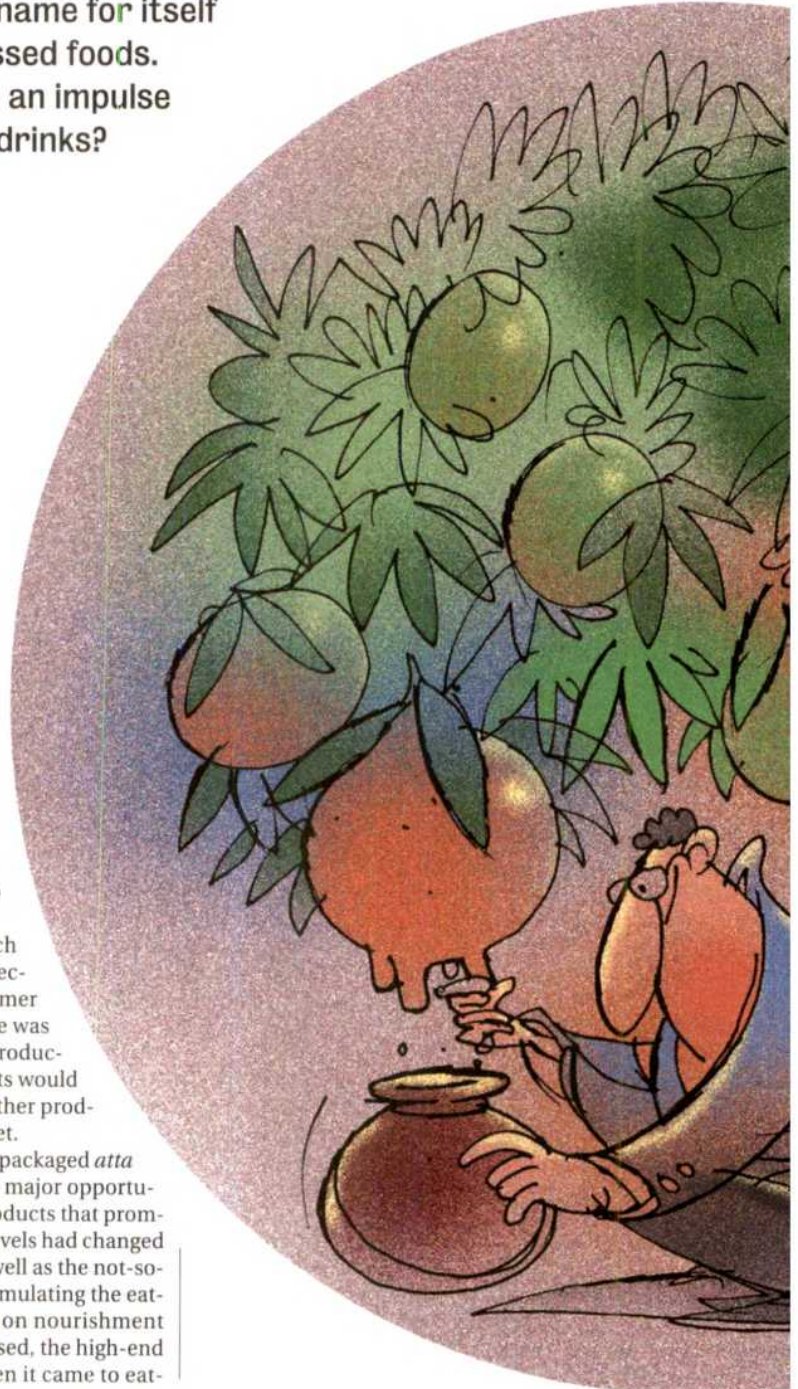
This case study was first published in BW, 7 September 1998

■ MEERA SETH

PRATAP Rao was excited as he rummaged through his files and cupboards. He was looking for data on Funsip, the once successful but now dead fruit drink brand of Kremmer Foods. Rao, who was head of marketing at Kremmer, was determined to bring Funsip back from the grave.

His determination was rooted in research that had indicated that the processed foods sector was poised for phenomenal growth. Kremmer wanted to tap this opportunity. Rao's objective was to expand the processed foods category by introducing ready-to-use products. While such products would remain niche items, he was also researching other products that would be accepted by the mass market.

Mass market products like processed milk, packaged *atta* (flour) and bakery products were identified as major opportunities in the foods business — high-growth products that promised big volumes. Reports said rising income levels had changed the food consumption patterns of the rich as well as the not-so-rich. At one level, the lower middle class was emulating the eating habits of the rich by laying greater stress on nourishment and quality. At another level, as choices increased, the high-end consumer was getting more adventurous when it came to eat-



ing. Funsip was targeted at this segment.

Rao was happy when Kremmer decided to expand its processed foods division, particularly the biscuit and frozen vegetable categories. That was when he hit upon the idea of introducing processed fruits. A fruit-based drink would be ideal, he reasoned, because it would fit snugly into the entire portfolio of food products. Simultaneously, the brand could be extended to other fruit intermediates like squashes, cocktails and concentrates.

Funsip had caught Rao's fancy after he came across media reports which said that fruit drinks could grow into a multi-billion rupee business in India over the next eight years.

That Funsip had failed 10 years ago did not deter him. Rao felt that the company had, in fact, learnt a lot from the brand's failure.

The research and investment that had gone into Funsip had helped Kremmer ascend the learning curve on fruit drinks.

"A fruit drink is just what we need to complete the portfolio," he told his managing director, Vidyut Saraf. But the sales director, Anshu Vaid, did not like the idea one bit. Funsip's debacle had left an indelible mark on him.

Vaid was Funsip's product manager when it was launched in 1984. The soft drinks market then was roughly 600,000 tonnes, of which the tetrapack segment was a mere 10%.

But the tetrapack segment was growing very rapidly at 15-20% a year. The strong brands in this segment at that time were Frooti, Volfarm and Tree Top.

Funsip was conceived and positioned as a natural fruit drink that offered convenience, hygiene and variety. It came in three flavours – mango, apple and orange. The tetra packaging was franchised to third parties and plans were underway to add newer franchisees in different markets.

Kremmer was predominantly a dairy products company with



Earlier, Funsip did not cover areas where impulse purchases were made. It had to pay heavily for it

substantial dairy operations that gave it synergies to produce milk powder, butter and a small range of milk-based Indian dessert mixes. In the 80s, processed dairy products were not a fast-growing segment, though Kremmer's milk-based drink RevvUp was a leader in many markets.

It was Saraf's foresight that led to a strategic entry into vegetable and fruit processing. In the early 80s, Kremmer bought GreenFoods, a small company that made jams, pickles and chutneys and marketed them under the same name. GreenFoods came with a large plant for processing and freezing vegetables, which fitted in well with Saraf's vision of expanding Kremmer's food business.

The synergies derived from its own dairy products business and GreenFoods' jams gave Kremmer greater distribution strength and catapulted it into the limelight as sales grew. Suddenly Kremmer was a company to watch out for. That was when Kremmer decided to launch the Funsip range of fruit drinks. In fact, Funsip was a brand being researched at GreenFoods when the company was acquired by Kremmer. Given the sourcing and processing advantage Kremmer gained from its new acquisition, the move to launch Funsip was natural.

Funsip had a great start. The test market in Gujarat was opportune since the Navratri festival had just begun. Kremmer held promotional Ras Garba festivals in Ahmedabad and Baroda, which resulted in a very good trial rate. Driven by the Gujarat success, Kremmer decided to launch Funsip in Chennai. There too, the response was very good, thanks to the funky, young and festive advertising. By the year-end, Funsip was available in all the metros and was poised to enter mini metros.

BUOYED by the exemplary launch results, Kremmer targeted a 50% marketshare over the next three years. In the second year of the launch, Funsip had gained a 25% marketshare which was very heartening. The euphoria over the brand's success was naturally very high and Saraf congratulated the sales force on what he called "one of the biggest successes" at Kremmer. He clearly saw Funsip as a forerunner to a bigger foray into the foods and processed foods business.

By then, Kremmer's vegetable processing plant had been refurbished and tailored to processing tomato ketchup. Research had commenced on the proposed frozen vegetables project and other value-added food products. All these were to be marketed under the Funsip brandname.

More good news was in store. By the close of the second year, Funsip had garnered a 33% share of the fruit drinks market. The brand recall was very high and it seemed that Funsip was on its way to market leadership. If the brand was gaining strength, so were Kremmer's expectations. The company doubled the production and sales targets, appointed more packaging franchisees and stepped up advertising.

And then the first blow hit Funsip. Studies showed that Funsip was not easily available to the consumer. Advertising visibility existed, but not shopshelf visibility. Funsip was just not available at outlets where there was an opportunity to cater to an impulse purchase. At outlets where consumers could choose from a menu of fruit and soft drinks, the menu did not include Funsip.

The problem was rooted in Kremmer's distribution strategy.

Kremmer had a common distribution set-up for its dairy products, GreenFoods' processed foods, and Funsip. This bundling of all Kremmer products into one basket meant that an impulse purchase product like Funsip ended up in grocery stores and supermarkets along with the dairy products, jams and chutneys. It did not find its way to roadside vends or places of entertainment where cold drinks sales were brisk.

This fundamental flaw in distribution slowly dawned upon Kremmer's sales and distribution team. But by that time, the slow-down had already begun. The initial boost during the trial phase had given way to a plateauing of Funsip sales. Its rivals, on the other hand, were growing at a faster clip.

Being in the wrong outlet was not the only problem for Funsip. The Kremmer sales force was not familiar with outlets that should have been stocking Funsip. It was not easy to sell to someone with whom there had been no past dealings.

As he rummaged through the old files on Funsip, Rao found numerous notes from Vaid, the product manager, to his boss, the marketing head. One such note read: "Funsip should ideally be present in Jacob's Fun Food Parlour, but he is not stocking RevvUp. Cinema halls like Sangam stock soft drinks, but we have no dealings with Sangam because it never buys RevvUp, butter or jams. So, it does not appear on our route. These outlets are not central to foods and dairy products, but they certainly are prime outlets for fruit drinks."

Another note from Vaid to the sales head read: "There are three factors which drive soft drink sales. One, you must have a high frequency of service. Two, the outlets need extensive point-of-purchase promotion. Three, these outlets have limited cash; therefore, the brand that reaches the outlet first gets the biggest share of that cash. The latecomers miss out."

"We have a problem on two counts. One, we are servicing only one of the five outlets we should be supplying our drink to. That's because we supply one to those outlets which are serviced by the common distribution network. Two, the timing of our service — while Frooti's van reaches these outlets at 7.30 a.m., our van reaches them only at 11.30 a.m. By that time, the outlets would have already bought Frooti. So, how can we survive in a seasonal market without aggressive selling?" he asked.

Vaid's notes also pointed out that, given the high seasonality of the soft drinks category, Kremmer's servicing strategy was ill conceived. In soft drinks and fruit drinks, 60% of sales occurred between mid-April and June. Then there was a small second summer (particularly in Delhi and Mumbai) between September

and October, which lasted four weeks. "We, therefore, have to achieve our sales virtually in these 14 weeks," wrote Vaid. That also meant that those 14 weeks required a very intensive marketing and sales effort. That was a major problem because Kremmer's sales force and its distribution system weren't geared to handling a product with such high seasonality.

As he pored over the notes, Rao found that Funsip's failure was due to its faulty sales and distribution strategy; there was no problem with the product. He realised that the sales strategy did not optimise opportunities present in the market. For instance, he learnt that over 60% of soft drink sales happened at impulse purchase points like fast food places, cinema halls and roadside vends. But these were not being serviced by Kremmer because they did not fall in the distribution route of its dairy products, jams and chutneys. In other words, 60% of the sales demand was not being met by Kremmer.

Rao felt Kremmer should have set up a dedicated distributor system for Funsip. Also, Funsip had to be hived off as a separate profit centre to evaluate its performance. Earlier, Funsip was under the new foods profit centre and a common sales team handled its sales and distribution. Funsip's targets and revenues were simply added to those of RevvUp and other dairy products.

This posed another problem. The sales set-up considered the mainline dairy products and foods business, not Funsip, as priority. After all, the dairy products and foods business assured higher volumes. This meant that the sales staff was not as interested in pushing Funsip, as it was in selling jams and butter.

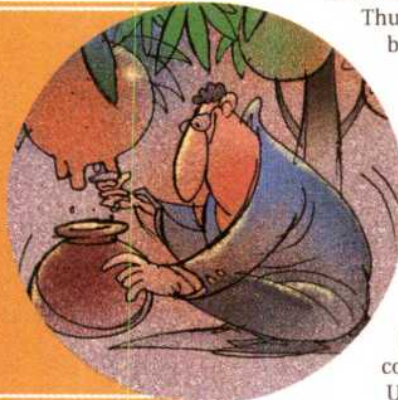
In operational terms, one business head looked after the dairy products business while another looked after allied foods businesses like ketchup, jams, frozen vegetables and Funsip. Both these businesses had a common distribution network. But since the major chunk of the products under the allied foods business had a destination common to the dairy products, there was no real need to look for a change. As a result, Funsip languished for want of a distinctive focus.

Kremmer's financial situation was tight at that time, since it had committed vast sums of money to the acquisition of GreenFoods and to refurbishing its processing and freezing plant. As a result, it was unable to commit any more money to the aggressive marketing that Funsip required. The marketing plan directed that 80% of the budget be spent on thematic advertising and 20% on promotions. This was in stark contrast to Parle's strategy, where the entire budget had been earmarked for Frooti's promotion. For example, if Kremmer gave one pack of Funsip free with a tray of 27, Parle gave five. Frooti had an added advantage because it came from Parle which had other beverages like Thums Up, Limca and Gold Spot. Each of these brands had a powerful national presence that gave Frooti a lot of marketing synergy. The money Parle made on its fizzies was ploughed into Frooti.

There was another obvious problem: the outlets which stocked Gold Spot or Frooti were also the target outlets for Funsip. So, when Frooti gave an offer to the retailer, it increased his confidence in the Parle group, aided by the prevailing imagery of its beverages. The other players, too, had developed the ability to match Frooti's competitive thrust, but not Funsip.

Up against such powerful rivals, Funsip soon

Rao felt that the chances of Funsip succeeding would increase if it had a separate sales and distribution network, a dedicated sales force and aggressive marketing



ran out of steam. While the first year losses were attributed to depreciation and infrastructure costs, the second year saw a bigger drain. Eventually, the brand had to be withdrawn.

Rao could see that Funsip had failed in the market because of the diffused focus. "Today, Kremmer is stronger after a string of successes with its other food products. Now that we have the synergy and the processing plants, and since our foods business has become so salient in the domestic market, why don't we relaunch Funsip?" he asked. "After all, Funsip was not rejected by the consumer. It failed because we did not get our distribution strategy right," he said.

However, managing director Saraf was wary about getting into the fruit drinks business again. "The marketing of fruit drinks is an altogether different ballgame. We have realised this the hard way," he said. "It requires a dedicated distribution system, a dedicated sales force and aggressive marketing. After all, in impulse purchase categories, success depends on the agility with which you can service the market. Where do we have that kind of resources and agility?"

"But why should that be a deterrent?" asked Rao, surprised. "Ten years ago, we had another problem which was more overwhelming: shortage of money. If we had the money and the resources, I suppose we would have taken corrective steps. But we were still in the growth phase and could not allocate huge sums to the marketing of Funsip. The processing business was new and we were still on the learning curve after the acquisition of Green-Foods. Today, we have crossed all that. Our fruit processing is better than it used to be, our systems are in place."

VAID shook his head. "It is not just the money. Setting up a distribution system for soft drinks is a virtual nightmare. Ask Coke and Pepsi. It took these global giants many years to develop that market agility. Do we want to take that route? Then there is the channel servicing — refrigerators and refrigerated vans. The entire marketplace infrastructure is both expensive and time consuming. Let us face it: the problems which we had 10 years ago exist even now," said Vaid.

It was clear that Rao's optimistic presentation had little effect on Vaid. "We simply do not have the portfolio or channel synergies necessary to sustain soft drinks selling. Our sales force will also have to change its mindset from monthly purchase products like RevvUp and jams and squashes to an impulse product that

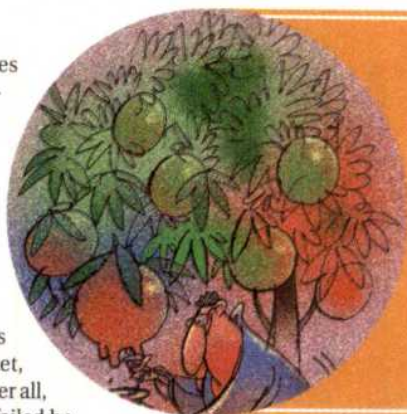
demands daily servicing. And that is expensive," he said.

But Rao was smitten by food industry reports that indicated a three-fold growth in the industry by the year 2005. Value-added foods would grow at an even faster rate, the reports said, since a shift from subsistence foods to value-added foods was expected, thanks to rising income levels and higher aspirations for quality and health. "We have overcome many of the hurdles. Can't we find a way?" he asked.

However, both Vaid and Saraf could see Funsip's grave with a huge epitaph that said 'Failed'. That thumping success of its dairy products and other businesses notwithstanding, the marketing of beverages was very different, felt Saraf. "The same problems will still be there. Beverages in tetrapacks are impulse purchase items. They sell on imagery and no differentiator really works. In this segment, the entry cost is very high. The sheer upfront investment required in promotions and advertising will not be less than 20% of sales. This is a high-cost segment," said Vaid. "Bring back Funsip and you bring back trauma and failure," he added wryly.

But Rao felt that there was an advantage in reviving Funsip. In fact, he not only wanted to revive the Funsip brand, but also thought of using it as an umbrella brand to sell squashes, frozen vegetables, multi-flavoured concentrates, fruit cocktails and fruit pastes for infants and the infirm. "I don't think we should allow the past to stay so firmly entrenched in our mind. The opportunities today are far more, and the chances of success assured," he said.

But Saraf was categorical. "The mere growth of the food sector does not assure success. Having the funds, too, doesn't ensure success. The soft drinks market today is far more competitive than it was 10 years ago. Creating a viable system in a short time or at a low cost is unthinkable. I think we should steer clear of any plans to relaunch Funsip," he said. "What do you say, Vaid?"



Rao not only wanted to revive the Funsip brand, but also thought of using it as an umbrella brand to sell squashes, frozen vegetables, fruit pastes and fruit cocktails

9:00 TRAFFIC JAM
11:30 CLIENT MEETING
2:45 CALL FROM HOME
4:30 BOSS GETS MAD
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ANALYSIS I: ASHOK JAIN

Resist The Temptation

Ashok Jain is the managing director and CEO of Cadbury Schwepp's Beverages India.



THIS is a classic case of major temptation — a growing market, a profitable niche, no international player, no national brand. It's a good opportunity. But what do we have to harness? Solar power is the best form of energy, but not all can collect and use it. It needs different skills, technology and mindsets.

Most failures happen because people look at the size of the opportunity, not the method to 'seize' it. A classic example of this is the mineral water segment in India. "Paani to sabko chahiye, iske bina guzara nahin (Everybody needs water, nobody can do without it)," says Babuji and makes "Paani paani mineral water".

So five such brands are launched every month and five more bite the dust. Babuji knows little about distribution and even less about marketing. He only knows how to buy cheap and 'manage' his tenders. He cannot succeed in a mass market category.

The raw material for both butter and chocolate is milk, said Amul. It did not realise that chocolate required a different mindset, a different marketing thrust and had to face intense competition which butter didn't have to. The chocolate giants, on their part, went into white drinks and tried the medical prescription route — nobody remembers the brandname today.

The tetrapack product business in India is somewhere between the soft drinks business and Kremmer's existing ventures. The soft drinks category is impulse driven. It depends a lot on image marketing, is capital intensive and relies on the infrastructure. And an important thing to remember is that competition in this field is ruthless.

Kremmer's portfolio is one of planned purchase, moderate marketing inputs and

infrastructure. These are two entirely different segments; no wonder Kremmer failed. It's a surprise though Kremmer had not even achieved the magic marketshare figure of 25%. It's more likely that the marketshare figure was exaggerated for internal reassurance. With a distribution reach of about 20%, a marketshare of 25% is simply not possible. Herein lies the issue — with the existing mindset and distribution, Kremmer could have succeeded, but did not — with Funsip.

The world in the 90s is more sharply defined. Competition is more intense, the consumer more discerning, distribution methods more upgraded and the media simply explosive. The job for Kremmer is only that much tougher now.

Rao's plan is not one of adding to the portfolio but of diversifying into a distinct activity. It is not about adding to the exist-

vation of it being profitable is correct. Further, the industry has raw material and process synergies with Kremmer's current businesses. Kremmer has only to figure out how to get more value from it.

Is Funsip the way to do it? Perhaps not. It could well be only if Saraf has a vision of growing a separate empire built on the impulse-driven category.

Does Saraf want to create a new business which is distribution, promotion, merchandising capital and infrastructure-driven? Does Kremmer have the mindset, energy and capital to give new direction to this venture? Is that possible? Yes, although it will be quite risky. For every one Onjus (from textiles to tetrapacks) there are umpteen Thrills (from alcohol to soft drinks) and Truptions (from windmills to mineral water!).

Can, and should, Kremmer take that

Does Kremmer have the mindset, energy and capital to give new direction to this venture? Is that possible? Yes, but it will be a little risky

ing business but creating a new one. It is not utilising old skills but developing new ones. It is not just about synergies but also new mindsets.

Kremmer has three options:

- Do nothing, add nothing and get more out of the existing market and products
- Create a new business with a completely new approach.
- Or take a middle-of-the-road approach.

Let us evaluate option two. Processed foods is a sunrise industry and Rao's obser-

vation of it being profitable is correct. Further, the industry has raw material and process synergies with Kremmer's current businesses. Kremmer has only to figure out how to get more value from it.

Therefore, Kremmer should take the middle-of-the-road approach. The company should move into concentrates, squashes, cocktails, juices... the industry is large. There you have material and process synergy, these products fall in the same purchase cycle pattern of the consumer, and competition is less intense. All that makes it a better and more feasible solution for Kremmer.

Kremmer should take a middle-of-the-road approach. It should move into concentrates, squashes, juices and so on

ANALYSIS II: ANAND BHARDWAJ

Stick To What You Have

Anand Bhardwaj is the vice-president (marketing and marketing services) at Electrolux India.



DINESH KRISHNAN

SEEN from Pratap Rao's perspective, there are many factors in favour of reviving Funsip. To begin with, fruit-based drinks have very high growth potential; the market, it is estimated, will grow into a multi-billion rupee one within eight years. Then there is Rao's vision of extending the Funsip line to fruit intermediaries and creating a large umbrella brand. And there is Kremmer's financial health — today the company is much stronger after its string of successes in the foods business. The right time, it would seem, to diversify into a high-growth and high-profitability area. A good many managers in Rao's shoes would reason that Funsip's initial failure was mainly due to its wrong sales and distribution strategy. Set the distribution right and here is a great business opportunity in reviving Funsip. Also, since Funsip is an impulse purchase product, set up a separate marketing and distribution network for better management of the brand.

This is where temptation should take a backseat and give way to common sense. A dispassionate and rational analysis indicates that Rao's enthusiasm is, in all probability, misplaced.

Kremmer's current brand portfolio itself is fairly diverse. It is into its traditional milk food business — milk powder, butter, lesserts and milk food drinks. It is also into jams, pickles and chutneys since the acquisition of GreenFoods. It is intoetchup. And biscuits. And frozen vegetables. It is not very clear how strong Kremmer is in each of these lines of business. Given the fact that GreenFoods is a fairly recent acquisition, it is likely that Kremmer has a long way to go to acquire the market dominance or leadership in, at least, some of its new products. In such a situation, should Kremmer really think in terms of opening another flank in a resource-guzzling category? Or should it focus all its resources on strengthening its ready-wide product range?

On the distribution front, Kremmer as a strong network geared to service the

'monthly purchase' outlets — the *kirana* stores and supermarkets. Even if it is possible to set up a dedicated distribution system to service an impulse purchase product like Funsip, should Kremmer commit resources to a new distribution set-up? All of Kremmer's current products fall into the category of monthly purchase items. If Kremmer is committed to the introduction of newer products, it would be far more prudent to explore areas which can be serviced by the existing distribution network. And which are logical extensions of its existing product portfolio. For example, has Kremmer looked at cheese, given its strength in dairy products? What about bakery products, which could be a potential future growth area?

It is also critical for Kremmer — and Rao — to assess the competitive environment. Today, the tetrapack fruit drinks cat-

the name Funsip still carry any baggage from its previous failed introduction? Second, is Funsip the most appropriate name — with its connotation of a youthful, impulse purchase drink — to be an umbrella brand for the more serious categories into which he is planning an extension?

Of course, if Kremmer does want to enter the processed fruit market, it could utilise its current distribution network and follow a two-pronged strategy: one, it should launch Funsip as a "home", monthly purchase food drink in one litre tetrapacks. And two, it should get into fruit intermediaries with a more appropriate brandname. This strategy may give Kremmer smaller volumes but would help it avoid a second heartbreak.

When a company is doing well in its areas of operation, there is a great temptation to reduce investments in the core

Rao would do well to strengthen Kremmer's existing portfolio and the current distribution network. Since Funsip is an impulse purchase product, setting up a separate marketing and distribution network for it will help

egory is dominated by two brands — Frooti, a mango drink, and Onjus an orange drink. Both brands are narrowly focussed and have become generic to their respective flavours. Can a multiflavoured brand like Funsip really make any headway against its sharply-etched competitors? The chances are remote.

Finally, while Rao feels that, "there is an advantage in reviving Funsip, not just the drink, but as an extended umbrella brand which would grab the opportunities in squashes, frozen vegetables, multiflavoured concentrates, fruit cocktails and even fruit pastes for infants and the infirm". I wonder if he has considered the name and positioning issues. First, does

businesses to fund a new attractive business diversification. There is a mistaken belief that the core business will not be damaged by reduction in support, and that the more attractive investment opportunities will take the company to greater heights. It is this kind of reasoning that Rao seems to have fallen prey to. He would do well to strengthen Kremmer's current brand portfolio as well as the current distribution network. My advice to him would be to stick with what he is doing now, and look for ways to make it better. It is important not to dissipate energies over too many products and too many markets. As Confucius said, a man who chases two rabbits catches neither. ■

The Secret Adversary

Cuelo's brand of sanitary napkins, Lady, had fallen prey to the multinational brand, Secret. Could the company revive the label?

This case study was first published in BW, 22 March 1999

■ MEERA SETH

MADHUR Hegde was taken aback. Hemant Desai, the managing director of Cuelo India, was suggesting that Cuelo's brand of sanitary napkins, Lady, be phased out. "There's no hope for this brand," Desai said. "For two years, we have been trying hard to revive Lady, but the loss appears to be permanent."

Lady, which had dominated the market for many years, had fallen prey to a new foreign brand, Secret, which had made a dramatic entry in the Indian market two years ago. Cuelo, a 70-year-old personal care company, manufactured deodorants, shampoos, hair oil, shaving products, hair removing creams and sanitary napkins. And it was losing marketshare in some of these products to new entrants.

But for Hegde, who had worked on many brands in his time, that was not reason enough to despair. "That still does not mean the end of the road for us," he said to Desai. "We have had an image of being reliable, high on quality since the early 60s. Why are we closing down a brand simply because we are losing volumes?"

"Volumes are what make a brand profitable and viable, don't forget," said the managing director.

"Sure, but when we launched Lady in 1972, it was not because



we had volumes," said Hegde. "Then you said: 'Here is a consumer need, I will address it with Lady. Lady will replace the primitive methods used by women.' Today, when the same woman has gone five steps ahead, why do we hesitate to continue addressing her needs? If Lady was based on addressing a consumer need, we stay with that strategy. Or we end up being seen as fuddy duddy as the brand itself."

"How then are you going to revive Lady?" asked Desai.

"By making it dependable," said Hegde. "Dependable means 'it will work for you'."

For that we need to find out what exactly a consumer is seeking from sanitary napkins. The launch cost has been incurred, the trust and faith was

there, is still there, except that the brand is not contemporary. Therefore, we are also being seen as a company that is not contemporary."

"You must understand that the market has become far too competitive," said Desai. "You forget Secret has decimated us in less than two years. And research has revealed how low the brand has slid in the consumer's radar."

"The same research also said Cuelo is reputed, dependable, high on hygiene and quality," urged Hegde.

"But that did nothing for Lady, did it?" asked Desai.

"What has that got to do with the brand?"

"How else did Lady get a consumer following for 17 years?" asked Hegde.

"It was because the company also stood for a lot.

Our image gave the brand saliency. But what happened was that the consumer evolved, her needs were fine-tuned... maybe we did not keep in touch. She found that Secret met her new needs better.

The point is, she is still saying that 'Cuelo is a good company, reliable...' but she adds, 'old-fashioned'. Isn't there something in that? Now I

am saying, let us stop Lady's downslide, by making sure the product does evolve, by leveraging the corporate brand image. I believe," went on Hegde, "that while the brand's attributes have lost significance in the consumer's mind, the signif-



Madhur Hegde felt that Cuelo's 'dependable' image could be used to save the dying brand

icance of the corporate brand image continues to be salient."

Hegde was of the opinion that just as a brand spoke for the company, a company was also known by its brands. "Therefore, if we don't 'contemporise' Lady, its image will be rubbed off on Cuelo and from there to all other brands," he said.

And Cuelo did have a very solid reputation of being a sound company: dependable, honest and high on quality. It was one of the few Indian companies that had such a image.

Therefore, Hegde said: "All those attributes of good people, good company, etc., have to be leveraged. When a consumer evaluates a brand today, she doesn't look at the product attributes or the benefits that it gives her. She looks at the overall impact of the corporate

brand. Of what use is our reputation of trust and reliability when our competitor has shown that it is listening more carefully to the consumer? What, in fact, happened was that Secret came in riding the foreign horse and said: 'Look, I come from foreign land where people are more progressive, more sophisticated and I served them and made them all happy. I stand for progress and sophistication. Wouldn't you use me? Or would you rather be a fuddy duddy?'" And that had formed the core message of one of its advertising campaigns. This showed Brand X as being old-fashioned and Secret as modern and progressive.

Desai wouldn't agree. "If it was merely the gloss of a foreign brand, the detractors would have returned to Lady, can't you see?" he argued.

"Exactly," said Hegde. "So Secret offered more than a foreign tag. Every new brand has a trial stage, but a complete switch to a new brand happens only if your current brand has failed you in some way. That is what has happened with Lady. The consumer changed, her needs evolved, but the brand did not. The dissatisfaction with Lady was already there, except we did not notice it, but Secret did," said Hegde.

But Desai was not buying that argument. As far as he could see, it was a simple case of an Indian brand losing to the aspirational lure of a foreign brand.

Hegde disagreed once again. "We have grown to undermine the might of the Indian brands," he said. "Companies have proved it time and again. Take something as fundamental as salt. When Tata marketed salt, what it did was simply extend that 'clean, trustworthy, reliable, dependable' corporate image to yet another product. So consumers who believed in the Tata name said: 'I can trust this salt.' Now when a formerly unknown business house like Captain Cook, or, say, Catch, came out with a new brand, those who bought it did so for the packaging convenience, not so much because they believed that the brand was trustworthy. That attribute can be built only by being around for years in the Indian market. It's not that the non-users of Captain Cook or Catch did not seek convenience. But they felt safer buying Tata because of its trustworthiness and reliability. Which explains why when a number of small-scale sector brands marketed ginger and garlic paste, they couldn't find too many buyers. But the moment Kissan or Dabur did it, people said: 'Yes, I know that name. They are people who have proven their goodness and honesty for 50 years; they won't let me down.'"

Hegde reiterated that for most Indian consumers, the corporate brandname stood for years of trust and honesty. The corpo-

rate brandname, when attached to a product, implied that 'it comes from good stock, from a company that has already found a position of honesty and reliability in the consumer's mind.'

"It is an asset which is part of each one of our brands," Hegde said. "Likewise, the people who buy Surf are not entirely influenced by its advertising. They choose Surf because they have trust in the brand, the corporate house, the proven track record of product research — which the brand personifies through its corporate lineage, its dependability. They also feel: 'They won't let me down'."

"And how many people know which brand comes from which company?" asked Desai.

"When companies like the Tatas, Godrej, Lever, Dabur or Cuelo have been around for 50 to 100 years, they do become household names. And when a company has been around that long, it means it has what it takes to get consumer faith. Faith is what leads to sales or volumes. But building that faith takes years!" said Hegde.

"Doesn't that go for Secret, too? Fleur Brook, its manufacturers, have been in the hygiene business internationally for over 100 years," pointed Desai.

"The equity that a brand builds for itself in a new market cannot be a function of its international salience only," explained Hegde. "It also depends on the credibility of the business house's operation and its stamina in India. If foreign lineage is all that matters, why did it take Kellogg's eight years to gain acceptance in India? Despite demoralising volumes, bad press about the product's relevance to Indian habits, its price,.... It stayed on and worked better and better, closer to the Indian consumer's needs."

It was that stamina, that staying power and that sustained drive to research consumer habits in India that enabled Kellogg's to establish trust and faith in consumers, felt Hegde. "So when they put their biscuits on the shelf, we said: 'Hey, must be very good!'" he said.

Explaining his attraction, he said: "It's not as if I am in the market for fortified biscuits, but at the back of my mind is a little voice saying: 'This must have good ingredients in it. I am not going to find staple pins and pieces of thread inside, they would have run the flour through a million sieves before baking it...' That is how customer faith is built. And that was the emotion behind my 'must be very good'. Of course, it also has to do with Kellogg's overall positioning of its cereal as a health product, so that anything from the company will subconsciously be associated with health. But more than that, it is the sense of credibility which has set in. And it is that sense of credibility that powers sales, and that takes years to build. So if today Lady is losing, it is because consumers have lost faith in the product brand, not in the corporate brand," said Hegde. "So after spending 70 years building that wonderful equity called Cuelo, why do we want to give up on Lady so easily?"

asked Hegde.

"Now, that's not true, Madhur," cautioned Desai. "We worked very hard on Lady."

"But none of that was towards improving the brand itself. The changes we made were in its packaging, its price, but the brand did not deliver on performance!"

"Now isn't that an extreme statement?" asked Desai. "We have been in the market since 1972 and in each of those years till 1996 consumers bought the product, didn't they? Secret entered in early 1996 and ever since its abrasive advertising campaign took off, Lady has been slipping!"

Hegde didn't argue. That ad was a sore point with Desai. Instead he said: "Surf has been there since you and I were babies. It didn't get wiped out when Ariel was launched. When Vatika came, Parachute did not get decimated. When Liril came, Cinthol did not close down. Why? Because all these brands had a great sense of activity around them. Now, that means something to a long-standing consumer. He could very well shift to a new brand with foreign parentage and aspirational attributes. The changing face of Surf constantly shows how much it is in touch with changing consumer needs, with changing fabric usages. A little tweak here, a little enhancement of fragrance, a touch of a highlighter.... All that means the company has been watching and talking to consumers, finding out how needs are changing. It means the brand takes my needs seriously. The brand is always talking to me. It is subtly entering my laundry room, inspecting my linen, watching the accidents with clothes and going back and working on all that for me," said Hegde.

"Clearly, it was the advertising," argued Desai. "Sheer visibility — and that requires money."

"More than just that!" said Hegde emphatically. "For instance, I have never read Dabur's ad for ginger paste. But what did register was that it was from Dabur, a name I have grown to trust."

According to Hegde, there was a difference between what a consumer believed about a brand and what the brand claimed about itself. The saliency of a brand in a consumer's mind or what a brand stood for to a consumer sometimes had less to do with brand attributes or its advertising proposition, he felt. "So, do I believe the 'Daag dhoondte reh jaoge?' value proposition? The point is, I wasn't even looking for it. Of course, I have accidents with my clothes. My kids spill ink on their napkins and shirts, leave open felt pens on beds.... We live with some of these, we try and repair the others. But the need for such specific washes are so few that I am not likely to change my existing brand to one that swears it will remove ink stains. That is only one of my needs. My supreme need is a trustworthy detergent — one that is like an old family retainer who is dependable most of the time."

Staying with his detergent example, Hegde said that a good detergent was one that did not surprise him. "One that is consistent and credible," he added. "And that the consistency and credibility cannot come from a copy. Now, a new brand might come in and claim to be far superior, but the reason for changing brands cannot simply be advertising propositions. Those are new claims. But I find that the old claims — that it is reliable, trustworthy, dependable — continue to be relevant. It wouldn't worry me if it removed a stain: it's terrific 95% of the time anyway. Besides, I have evolved too. I use newer, more expensive, kinds of fabric and the brand con-

There was a difference between what a consumer believed about a brand and what the brand claimed — the saliency of a brand had less to do with brand attributes



tinues to give me the same value. It kept changing as I evolved. Was there any such activity around Lady?" he now asked.

Desai was not convinced. He, too, recognised the value of a corporate image, but it was hard for him to accept that it could resurrect a dying brand like Lady. However much a brand evolved, and whatever its lineage, a foreign brand did take away marketshares, he felt.

"I am hardly implying you will have 100% loyalty," said Hegde. "What, even I buy Ariel whenever I can't find Surf in my local store. I do not think it is a good detergent, but the point is, I return to my old brand soon."

Hegde felt that the quality of a brand lay more in its periphery than within it — in its raw materials or components. Apart from distinct benefits and attributes, consumers need to have a baseline level needs satisfied. They need assurance that their faith in the brand does not go away. And that faith, he felt, lay in the image of the company behind the brand.

"For the same reason," he continued, "if Surf were to be sold tomorrow to another company, I won't feel the same way about it. That is because more than the brand Surf, what I am buying is the corporate image of the present manufacturer, which is a function of its having guarded the brand for 75 years. So, what I am buying is not Surf the brand, but Surf from Hindustan Lever. Do you see?" he asked.

That kind of consumer faith took years to build, said Hegde, and was not something that could be overlooked. It was an asset which lent assurance, he felt.

"Which is why," he continued, "Hindustan Lever launched another detergent in a lower price bracket. More than the price, it would be the underlying message of dependability that will ensure a brand's success in the market. Its pick-up rate will be faster than that of, say, a new foreign brand."

Hegde was emphatic that Cuelo's corporate image needed to be leveraged to save Lady. "We have a stellar image of being a reputed business house since the 50s; we were a household name. That faith has been shaken by the entry of Secret. The difference was stark — in technology, in packaging, in presentation, in communication, and, of course, in performance. But we did not react to the changing needs, because we did not even realise that changes were taking place.

"We thought consumers were buying Secret because it is foreign and glossy. What we failed to realise was that the consumer bought it because it addressed every one of her needs. Many of us raised the price bogey, the Indian culture bogey to defend our halo — but they were just that, bogies. Even when our market-share dropped by 50%, we said: 'The market is growing, more are converting to sanitary napkins.' And we worked aggressively on increasing our share, our volumes by directing our attention to trade margins. But the retailer cannot push what the consumer does not want!"

And a consumer poll had elicited just these responses: "Lady is fuddy duddy. Secret is more happening. It truly works for me." One 16-year-old said: "I am not influenced by what my mother uses. She uses Lady, but I chose Secret. It's what my friends use."

"That puts our perceived image succinctly," pointed Hegde. "So, rather than despairing, let's go back to the drawing board with a menu of consumer needs."

"Is that going to bring back those who have shifted to Secret?"



Hegde's gameplan was, therefore, to change the brand's fuddy-duddy image, make it more contemporary and target first-time users of the product

asked Desai "That is a category where images once lost stay lost for a long time, if not forever. Which means we will only be losing every rupee of investment in the product redevelopment," he said.

But Hegde disagreed once again. In fact he was optimistic about the brand's prospects. "By its very nature, a sanitary napkin is one product category which can find new users everyday, unlike a detergent where new users are typically converts, and not new users. When I married, I started buying my own detergent, but that did not make me a new user. What simply happened is, the cost shifted to me now. My mother bought less, I bought my share separately. But in sanitary napkins, there are new entrants in the usage category everyday. It is this segment of the first-time users we will focus on aggressively through communication.

"Because a 12-year-old girl will initially use the brand her mother recommends. But she also experiences her new maturity and will want to develop her own viewpoint. At the same time, she is also very keen to understand this new phenomenon. So she will watch all the ads carefully. At this stage, she carries no baggage about the product's performance — not even the deteriorating image — because she never was in the market before. Even if her 16-year-old sister swears by Secret, this young lass will want to view every ad on every brand carefully and form her own opinion. Mind you., for this 12-year-old, even her 16-year-old sister will be fuddy duddy! The brand that speaks to her the best is the one she will chose. Don't forget, just like her 16-year-old sister who uses the brand her friends use, this 12-year-old will want to use the brand her peers use. So, we simply go about targeting this new consumer segment, continuously, aggressively. And what will hold good stead will be our 70-year-old image of dependability."

And how do you expect this 12-year-old to carry any image of Cuelo or its reliability and dependability?" asked Desai, who was not willing to buy Hegde's line of defence for Lady.

"Hasn't she used our hair oil, our shampoo? And she continues to use our hair oil, because it is a tradition handed down over generations!"

"But you just said sanitary napkins are different. Her 16-year-old sister uses Secret even if her mother is still using Lady. Sanitary napkins are about peer buying behaviour. Women are not going to buy the product because their mother used it too," argued Desai.

"Fair enough. So, we will work on peer behaviour, based solidly on our 70-year-old image," said Hegde. "At 12, the young girl will want a brand she can trust, and her mother will still be there to endorse Lady. We need to contemporise Lady, make the brand dependable and modern and leverage the trusted name that is Cuelo. We will, therefore, give the new users and the market a solid reason for choosing Lady over other brands."

ANALYSIS I: ANAND HALVE

The Lady Vanishes

Anand Halve is an alumnus of the Indian Institute of Management-Ahmedabad with over 20 years of experience at Lintas, Clarion and Enterprise. He is currently executive director, Quadrant Communications, a member of the Interpublic Worldwide group of companies.



HEMANT MISHRA

THE case study raises several interesting points about the relationship between 'company' or 'corporate' brands and 'product' brands, and how their images affect each other. Before looking at the specifics of the case, I'd like to make a few conceptual points.

Linkages Between Corporate Brands And Product Brands: Perhaps the very first thing to consider is the strength of the linkages between the two. This strength would be the highest when a company maintains and reinforces the corporate brand, actually stays away from creating strong product brands, and, at most, creates 'product brands' which function as quasi-descriptors or identifiers of different products. This approach is likely to suit companies which operate in one category (or closely-related multiple categories). The computer, automobile, telecom and pharmaceutical industries provide good illustrations. Here are some examples of companies from these, taken from the 1999 *Fortune* list of most admired companies in the US. Computers: IBM, Hewlett-Packard, Dell, Sun Microsystems, Compaq. Telecom: Sprint, Ameritech, AT&T, US West. Pharmaceuticals: Pfizer, Merck, Warner-Lambert, Abbott. Automobiles: Ford, General Motors, Toyota, Chrysler.

Many of these strong corporate brands do not even have 'product brands'. Even in cases where they do have product brands, as in automobiles and pharmaceutical sectors, the corporate brand is still very strong. This is because in these categories it is important for customers that there exist a common, underpinning of trust or technology, which is provided by the corporate brand.

On the other hand, this approach is not very good for companies in industries such as soaps and cosmetics or foods. Here are examples of companies from these industries, again selected from the *Fortune* list quoted earlier. Soaps and cosmetics: Procter & Gamble, Gillette, Colgate-Palmolive, Unilever, Alberto-Culver. Foods: Nestle, Sara Lee, ConAgra, RJR Nabisco, Bestfoods.

These companies operate in multiple

categories and develop specific 'product brands' with little or no linkage to the corporate brand. This is because the customers in such categories do not seek an underlying commonality across products or consider it less important.

Therefore, Lesson No.1: The effectiveness — and value — of leveraging corporate brands depends on the degree to which customers seek underlying commonalities, which can be cued by the corporate brand. **Corporate Brand Values:** The second issue to consider is the set of associations acquired by the corporate brand. Whether through active effort or by default, the corporate brand will come to represent certain values, a certain acceptable range of price-value offerings and a certain personality. Just think about the associations that come to your mind when you think of Lakme, Bajaj, Mahindra & Mahindra or Britannia. These corporate brand values provide an anchor for the company, and can be a strength in many ways.

But then they also limit the range within which the corporate brand can operate. Toyota represented high-quality, no-complaints, mid-priced cars in the US a few years ago. However, this very anchor made it difficult for the Toyota brand to compete with the Mercedes and BMW luxury brands, and the company had to create the Lexus brand.

Closer home, Dabur has strong associations with ayurvedic products, foods and health, but not beauty. The Samara range, therefore, is linked to the Dabur brand only in the write-in address. And you will not find the Lakme name linked with Elle 18.

Therefore, Lesson No.2: The length of the anchor chain must be taken into account in deciding what linkage can be built between the corporate and product brands. **What Is The Age Of Your brand?** Hegde and Desai discuss whether Cuelo India, at 70 years, is 'old-fashioned' and 'not contemporary' and whether it is 'reliable' and 'solid', almost as if characteristics such as contemporariness and reliability are mutually exclusive. Let us look at brands which have clearly proven that that is not so. Lux is

still modern, gorgeous and has a lovely complexion at 80 (or is it 90?). And BMW is as stylish and sexy as it was decades ago.

It is simply a question of whether the brand has been 'working out' enough to remain relevant and in tune with the changing times. And this means changing both the performance characteristics and the appearance/style characteristics of the brand. In fact, older brands have the advantage of customer familiarity, and it is the new brands that have to work hard to gain that acceptance. Most of the strongest brands in the world are over 50 years old: Coca-Cola, Sony, Mercedes, Vicks, Horlicks. So Lesson No.3: Brands, like people, are only as old or young as they look and act. And brands can be both young and trusted.

Desai's Dilemma: Frankly, Hegde seems to be very confused and it seems unlikely that he can solve Desai's dilemma. At various stages, Hegde speaks of "returning to one's brand" (Surf versus Ariel); about "buying not Surf the brand, but Surf from Lever"; about, on the one hand, a 16-year-old choosing Secret "because that's what her friends use" and, on the other, of using "50 years of imagery" to target her 12-year-old sister (you can't have it both ways, Hegde!), and about expecting this to work because the 12-year-old "uses our hair oil and shampoo". (It's not very clear whether the brand-name for all these products is the same, but it would seem not to be so).

The simple truth is that Lady has done little over the years to improve its functional performance, and customers have found Secret a better product. No amount of reliance on trust or dependability is going to change that. Perhaps Lady has a few years of life in her, among older users who find its performance satisfactory. But clearly it is time to start working on product upgradation. Perhaps there is an opportunity for a variant of the brand, targeted at younger users whose performance needs can be met by the current product. But Hegde does not seem to have learnt the lessons on corporate and product brands which are all around us, and I don't think they're going to be able to nurse the Lady back to health! ■

ANALYSIS II: ROHTASH MAL

Look For A Great USP

Rohtash Mal is an alumnus of the Indian Institute of Technology-Delhi and the Indian Institute of Management-Calcutta. He is currently chief general manager (marketing and sales) at Maruti Udyog.



DINESH KRISHNAN

I quite see Desai's viewpoint when he says that it is volumes that make a brand profitable and viable. The bottomline is the ultimate truth. However, more often than not, the metrics available are, at best, inadequate to judge the bottomline impact. Desai's dilemma is really this: will the brand revival cost be compensated by future income streams, accounting for the advantages of the rub-off this may have on other Cuelo brands? Can it be done?

Let's look at the facts. For one, all Cuelo products have a feminine touch — save, of course, the shaving cream — most are losing marketshare to the competition despite a claim to a sound, dependable image, and have not evolved along with the evolving consumer. There is evidence even now of Cuelo grappling with what today's consumer needs from sanitary napkins.

Both Desai and Hegde are locked into this dependable/reputable/quality image debate, hoping that leveraging Cuelo's corporate image will revive declining fortunes. With Lady, it is not just a question of fall in volumes or marketshare losses; it is a situation where they might just get wiped out. Desai seems to believe that Lady lost out to international gloss — at best a native assumption. I am certain that when Hegde proposes that leveraging corporate virtues may just do the trick, he is not banking upon this in isolation without pressing all the other critical Marketing Mix levers.

A corporate's prime responsibility is to continually rejuvenate its brands — ever-evolving, ever-changing, ever so subtly — to keep morality at bay. The younger the brands are, the more profitable they are. And when brands are rejuvenated, one can expect current consumers' loyalty to increase sharply — enhancing not only their personal consumption but also creating a ripple consumption effect on those around them. Let's admit it: aging brands have aged marketers behind them. Little wonder that Lady got decimated.

We must examine the relationship that a brand has with the consumer. The pillars of this relationship are the value proposition and the brand's credibility. A disso-

nance on brand credibility can quickly damage volumes and shares — even more so when you are talking of personal products such as sanitary napkins. In Lady's context, is it credible to expect an evolved customer to align herself with an un-evolved brand? I think not. Is the value proposition, firstly on pure functional benefits, adequate? There is enough evidence to suggest that it is not so — Hegde still wonders as to what the consumer really wants. Then, what of the emotional benefits from the brand? Does the brand personality, communication, etc., adequately make the emotional take-away satisfying? Again, evidence suggests that isn't the case.

The consumer needs to see her own reflection in the brand, in the aspirational sense. I also see no evidence of any work done on the brand physique and personality — critical inputs while extending the youth phase of brands.

Let's look at today's woman and see how she has changed since the time Lady first came in almost two decades ago. She has evolved, and how. Far more confident, assured, outgoing, assertive and self-determining. More than that, there has been a sea-change in her lifestyle. Always on the move, far more physically active, and not inclined to change her routine and activities anytime during the month. I'd say that this was a classic case of a product needing to evolve continuously with an ever-evolving consumer.

It appears that Secret was the first to communicate the 'I care for you' message to the consumer. To me Secret's secret is great timing and being 'clued in', inadvertently or otherwise, to an evolved level on consumer needs. And when the reigning brand performs sub-optimally, it can only be a rout — winner takes all. Of course, the international gloss/look/feel would have helped Secret. Lady will have to overcome this.

What Lady needs to do is go far beyond a 'push' strategy. Consumers will not be 'pushed' into buying. To rejuvenate Lady or not has to be decided by an analysis of some basics.

Firstly, in product performance terms, Lady needs to be aligned to the needs of

today's woman along all dimensions — and it has to establish a USP here. Hegde, while talking about detergents, misses the point when he says that Surf's claim of 'Daag dhoondte reh jaoge' is not really all that important.

It is not because the consumer was not seeking this benefit, it is because the appeal encapsulates, and goes beyond, all that the consumer is seeking. If a detergent can remove stubborn stains, it will, in any case, do the elementary task of washing clothes. In this case, a simple, powerful and credible claim can subsume all — else is a great USP? Lady should look for one such USP.

Hegde rightly suggest that Lady has got locked into being Mama's brand. It's time, Mr Desai, to stretch a few more nets across the river with, perhaps, a Young Lady. Hegde must examine brand extensions to take in all segments from 12 years onwards, with catchments all along the age continuum with their own salience and appeal.

He should then work out a changed product personality, keeping it contemporary, while retaining a significant portion of the brand's identity. Evaluating now along classical dimensions, Hegde will have to conclude what volumes to aim for to see whether resurrecting the brand is indeed financially viable.

The issue of leveraging the 'good company' image runs through Desai and Hegde's 'toing-and-froing'. Sure it's important, but let's not overplay it. The brand is paramount — all else is secondary. If Cuelo's image were indeed 'leveragable', things would not have been so dismal. Cuelo may have a 'nice guy' image, but what is it doing for the bottomline? I would prefer to believe that the sigma and plus of all brands create the corporate brand, not so much the other way around. And then in this case, using the 'nice guy' lever is like telling the customer: 'I'm a regular chap, buy my wares.' The consumer will buy from the devil himself, if the product delivers on all fronts.

The pedigree is certainly important, but in the pecking order it has to follow a great product, memorable communication and brand salience. ■

Amitabh — The Big Brand

Brand Amitabh was synonymous with a category called 'AB type' films. That category has now lost context. So, how does one revive the brand? Vikas Vittal thinks that brand Dalda has pointers

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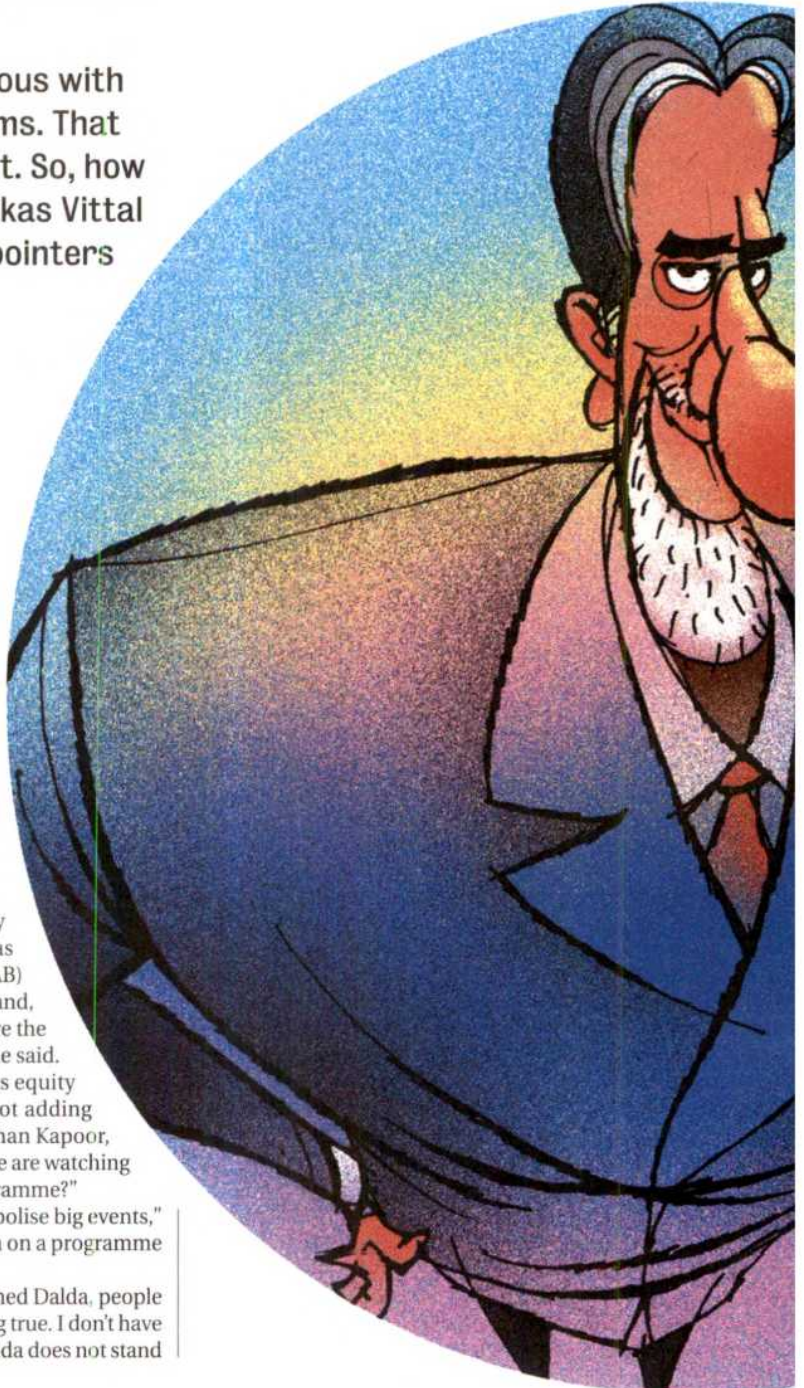
■ MEERA SETH

VIKAS Vittal gasped as the Dalda Active commercial filled the television screen before him. "So, it is back! Now that is interesting," he said. Parthiv Nair, his friend, stopped stirring his tea and watched the return of the evergreen Dalda. "What a brand, what legacy, what equity," said Vikas, "Wonder what this will lead to."

"It will lead to *Kaun Banega Crorepati* if only you will tune in to Star Plus," said Parthiv. Vikas obeyed and as the voice of Amitabh Bachchan (AB) filled the room, he heard Parthiv say: "What a brand, what equity." Vikas sniggered. "I wish he will have the wisdom to drop out of this programme soon," he said. "Why?" asked Parthiv. "Because it will dilute his equity fast. He was good as a launch pad, but he is not adding value any more. If you replace AB with say, Mohan Kapoor, do you think the viewership will drop? No! People are watching the crores, not AB. What is he doing on this programme?"

"He is there to lend status, grandeur, to symbolise big events," said Parthiv. "It's amazing what hold he has even on a programme like this."

"Parthiv, if a sandwich spread were to be named Dalda, people would buy it. Once. Maybe twice. But it won't ring true. I don't have the marketing vocabulary to express this, but Dalda does not stand



for what a sandwich spread delivers. Dalda is about a mass feeling, about everyday situations. Just because it has memorable strengths, attributes that are marketable, it does not mean you simply pick it up and juxtapose it in any category. The brand will weaken just as the brand Amitabh Bachchan will weaken if it continues to attach itself to a category which does not enhance or use its core values."

Parthiv mused. "That was what led to the decline of brand AB," he said. Brand AB was a favourite with Parthiv and he quoted from it during brand presentations. Watching the brand all these years had even led to a certain closeness, an empathy with its evolution.

The first time he saw a decline in the AB

brand was in the late 80s when Bachchan was no more true to the essence of the category 'AB type films'. The AB type film was beginning to lose contextuality. It was also the time when he became the superman-superstar, all-purpose dream of the masses, as a personality. "In marketing terms," he said to Vikas, "the brand AB had become very powerful while the category 'AB type films' had lost power."

"This is interesting," said Vikas. "Dalda, too, had become synonymous with the *vanaspati* category. But its brand managers have always sought to rejuvenate and manage the Dalda brand in the face of a changing category!"

"Whereas," said Parthiv, "the brand AB had no brand manager. There were brand builders in Salim and Javed, but they were not responsible for managing the brand. They were cashing in on the category 'AB type films' and when it peaked — it also coincided with their split — the category died. That was when the brand AB needed a brand manager to save it from being buried with the category."

"Why do you say the category died?" asked Vikas.

"What was unique about the AB type films?"

"It's like this," said Parthiv. "There is nothing that distinguishes AB films from other films at the first level. Revenge, vio-

**Brand Amitabh
will weaken if it
attaches itself to
a category that
doesn't enhance
its core values**

lence, anger — these were present in most films. AB type films were centered on an idea — of a person who was marginalised by society, fighting to be legitimately accepted into mainstream society. It's not just an angry young man, but a man who is hurt. And the motivation is always more complex than revenge. Take the example of *Deewar*. He has been humiliated. In *Trishul*, it's abandonment. The stronger AB films had focussed more on humiliation and the resultant pain. They all deal with neglect, abandonment, pain and psychological damage."

"And how was such a category contextual?" asked Vikas.

"Get into the social context of the 70s," said Parthiv. "It was a period when the father skimmed off the son's youth. Barely out of the

freedom struggle, he hitched his dreams of growth and prosperity on his son. Seeking immortality through the son, he tended to live his dreams through his son's life. Such a father, we find, has a very minor role in all AB films, but it is a common theme in them — he either abandons his son or neglects him. This was the context in which the AB type films found mass appeal as a category.

"Then again, even at a political level, there was a deep sense of loss of cherished authority figures. The 70s was the era of corruption, of getting nowhere. Till the 60s, there was hope; you actually believed in Nehru, Bose and Gandhi because they stood for certain cherished values and principles.

"That era was eroded in the 70s. Suddenly that abandonment was not just by the biological father, but also the abandonment by the authority figure in society at large, where values and authority were the male aspect of life. Suddenly, you were on shifting sands and Amitabh spoke to everyone who belonged to that era, who identified with that sense of loss of parenting and authority. Where he says 'the people who abandoned me are these corrupt men', be it the law, the landlord, the grain-hoarding merchant, or the construction site employers. It were these people he was fighting and he was asking for his place back in society as the person who had a greater right to be there because he was value-driven — so what if he was illegitimate."

"He is the Karna who is irrevocably born on the wrong side of society," said Parthiv. "He makes an effort to come back. In a society which is so much about continuity and a correct past, how does he overcome his rootless birth and nameless origins? In *Trishul*, the supreme irony was so very Karna-like, born right but condemned to live as a discard. Or *Shakti* where he is so devoted to the man who gives him shelter, that he is willing to sin for him."

"Then how did the category 'AB type films' lose context?" asked Vikas. "In the case of Dalda, *vanaspati* lost relevance because health became the new context."

"The 70s was the right time for the AB type films, not the 60s, not the 80s," replied Parthiv. "Today, those experiences or sufferings are not relevant. Today, you can be illegitimate, your father can abandon you, it is okay. These can be stories but they cannot hook you; but in the 70s it was not a story, it was the revelation of the times. The whole idea of legitimacy is itself an orientation to the past. Legitimacy in the 70s was important because 'the past' was important since the future was not much to look forward to. So, what you held valuable was the honour of the past. The idea of preserving, maintaining the past was seen in words like '*Baap-dadaon ki kamai, khandaan ki izzat*'. These were born out of a

fear of destroying what you had and never a belief that you could build something new; because the 70s did not assure a future, an ability to create anew, build afresh.

"It was a hopeless era. That's why there was a fear that nothing should crumble; at best, you should be able to retain what you had. But today, the past is of no consequence. It is what you can build for the future that is relevant, be it a political manifesto, an organisation vision or a career plan. Hence, the obsession of the 70s with the legitimacy of the past. Therefore, the 70s AB type films will not have appeal today.

"Today's values are different. The idea of marginalisation will always be relevant but the elements will change with times. Therefore, the ingredients of anger, violence, etc., continue but they will be born out of different issues of marginalisation.

"Take a look at what are modern-day issues. For Dalda, taste will have to go with health. In movies, *khandaan ki izzat* is a soft issue. It doesn't hold such high appeal any more. Likewise, death is a soft consequence. The modern-day outlook is that life goes on.

"You see it in films like *Kuch Kuch Hota Hai* and in *Kaho Na Pyar Hai*. They tell you that if your loved one dies, don't worry, you will find another — one who is probably richer and has a better haircut. Nothing is devastating anymore — life goes on. Two wives are fine; breaking marriages are not shocking anymore; and relationships gone sour are not devastating."

"Then why did AB, the brand, fail?" asked Vikas. "I can understand a temporary setback like in the case of Dalda. The brand's superstar status still has high recall though. So, have his abilities diminished?" "Not at all," said Parthiv. "The attributes of the brand continue to be the same and stellar, but the movies that this brand sold, be it *Deewar* or *Muqaddar*, had a certain context in the consumer need, and hence demand. The consumer thought these films were about AB, whereas it was not so. Nobody intended that AB become synonymous with the category. The brand AB was born out of this category and AB became larger than the category AB type films. Because AB overpowered the category."

"But look at what happened next," went on Parthiv. "The category had lost value, the brand AB had become overpowering, the industry was sitting on a goldmine, brand AB, and it did not know how to nourish its attributes and values. Overwhelmed by the brand, it began making films for AB.

"Instead of the performer being a part of the film, the film became a vehicle for the performer. The personality of AB became bigger and was now competing with brand AB. So, films were produced with brand AB in them. Those films were at complete dissonance with the brand AB. Because for the brand to sell, what was needed was the composition of the AB type films. The brand

was in harmony only with AB type films, not with the new category it was being thrust into. In marketing parlance, Dalda the super-strong brand name of the 50s, 60s and 70s, came to stand for *vanaspati* and in a more evolved state, edible oils. But brand Dalda cannot sell sandwich spread in its current form."

Now, in the 80s, the brand declined with the birth of films like *Mard*, *Coolie* — filmmakers misread the man, felt Parthiv. They saw AB films as the man. "Now understand how the market behaved," he said. "Or how marketers behaved. The brand had been created. It was now a matter of doing another line extension for the brand. Since there was no brand manager, the brand AB was available for anyone who would take on the franchise. So, these film producers became self-appointed franchisees. They were supposed to understand the brand. But they misread the brand and marketed it as something else. They were so enamoured by the ingredients in the brand that they mistook the ingredients for the brand and constructed things around it like the *Mirinda* brand. Or they started describing it by component rather than by its core values. So they constructed AB type films, element by element... one *Deewar*-type scene, one *Sholay*-type scene. And what they ended up portraying was Amitabh Bachchan, who was so aware of being AB. Look at *Mard*, *Coolie*, *Shahenshah*, *Toofan* and *Jadugar* — all these films did not connect. They had the elements but no emotional quality.

"The *Mard* ilk of movies could not present a credible background to his angry young man portrayal because the context had gone. The psychological hooking was not there. They were mere stories. No core. Then you depended on the personality, the great actor AB. Now look at Dalda. Its birth and genesis in the 60s had a subtle emotional hooking quality in an era when *vanaspati* was a big breakthrough. In the context of the 60s, it was seen as the credible, dependable cooking medium to the extent that it brooked no competition and became synonymous with the category.

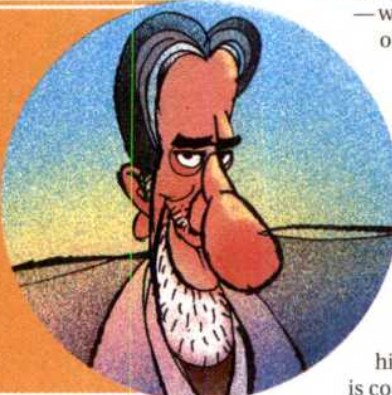
In the late 70s and early 80s, with the entry of other edible oils, Dalda *vanaspati* evolved into Dalda cooking oil which brought with it the hooking of the erstwhile *vanaspati*. Then when the sunflower oils came in on a health platform, Dalda lost context. If the manufacturer had tried to name his sunflower oil Dalda it would have been like fitting AB into a *Mard*, *Coolie*, etc. You can't fit a brand into a story or build a new story around an old brand that had already told a story.

"So, to understand the brand AB, you have to understand the evolution of films and where the brand can fit in with some evolution. The personality of Vijay, the raving crusader avenging his abandonment will not find a following in today's market as the theme will not sell. It is too weak. Abandonment is not devastating. It can, at best, be an ingredient but not the gravy — which today, is survival with complete disregard of the past."

"But how does Vijay, the mythical concept of strength in the 70s, evolve?" asked Vikas.

"It has evolved into Rahul. In the 90s, the mythical concept is Rahul who wants to blend tradition with modernity. He is relaxed and fun-loving. Every film and commercial has a Rahul. He stands for someone wild, naughty and very comfortable. But AB as Vijay was very uncomfortable. He was restless. You might transact with him but you did not want to get too close to him — he was dangerous and intense. But Rahul is cool. That is why children love Shahrukh Khan,

The industry was sitting on a goldmine — brand AB — and did not know how to nourish its attributes and values. Overwhelmed by the brand, it started making films for AB



but children did not love Vijay or AB."

Vikas could see the similarities. After close to 25 years of unquestioned leadership, Dalda disappeared when cholesterol became an issue. Taste as an attribute had been satisfied but a new need called health presented itself. Then came sunflower oil. Also, he felt, Dalda belonged to an era when the understanding of brands was still evolving and nobody probably realised that brands could outgrow categories.

In trying to replace *ghee* in a family's larder, Dalda probably said that you could show love for your family in a less expensive way — through *vanaspati*. It had a context; it did well.

Then the context changed and the idea was rewritten by the industry, which said, caring for your family means spending that extra rupee and getting the safer cooking medium.

Vikas now felt that the revival of brand AB lay in its genetic code. Every brand, he felt, has a genetic formula. He had seen that the brand AB had been built by the cumulative memory of his various movies, his exploration of the roles and the context in which these movies took birth. It was when the market sought to juxtapose elements that the coherence was lost. And, yet, it was the enduring memory that lent AB a different meaning to different generations of viewers.

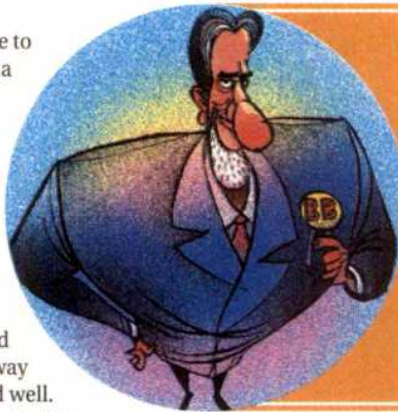
He had noticed, for instance, among brands like Lux, Dalda and Colgate that consumer preference endured. At 50, these consumers continued to revere these brands, which they had bonded with in their youth. Ditto brand AB. Why else would contestants pitching for crores address him as 'Sir', he asked himself. It was the reverence accorded to a successful brand. Naturally, the consumer set was willing to forgive mishaps like *Mard* and *Coolie*, regarding these as unrepresentative. For instance, the Pond's brand was not harmed even when it extended into and failed in soaps. It was Pond's Dreamflower Talc that had left an indelible impression and enduring image.

Vikas was sure that brand AB failed because the self-appointed franchisees of this brand simply tried to repeat the past, in a present that was vastly different. There was such an inexplicable reverence to the 'AB type films' of the 70s and the 80s that they sought to recreate that context, unwilling or unable to let brand AB evolve and grow into the changed context. And that was exactly what Dalda would not allow to happen, he knew. Dalda would modernise, based on altered consumer needs of health. He now said: "Dalda must adapt to the context, through its deliverables and its communication. It must not allow its past to determine its path today and in the future."

"Ditto AB" said Parthiv. "This brand continues to be narrowly defined, defined by the splendour and context of the AB type films. By reinforcing its outdated character, they rendered the brand even more incapable of extension."

The trick, mused Vikas, lay in dissociating brand AB from the category 'AB type films'. No doubt, the brand AB would serve as a memory of the AB type films, but what was being overlooked was that brand AB had its own identity, meaning and inner energy which was quite distinct from the category it modelled for. Yet that was its stumbling block — its larger-than-life association with an era, which produced an even larger category, the AB type films.

So, was the AB type film a category produced by the brand or the era of the 70s, he mused. He realised that both (the brand and the category) were mutually exclusive and the exclusivity could



If brand Amitabh got stuck, it was because of its preoccupation with the elements of the category AB type films. This unwittingly made AB a prototype brand

have been maintained had there been a brand manager. For, in a marketing sense, the AB type film was only a surface characteristic of the brand AB, whereas AB, the brand, was, in fact, an artist who could create, innovate and change for a wide variety of emotions, feelings and contexts.

Brands like Sanjeev Kumar had done it. If brand AB got stuck, it was because of this preoccupation with the elements of the category AB type films.

This unwittingly made AB a prototype brand, thought Vikas as he now switched off the television. The power of a prototype brand is itself self-restricting in that it can, at best, extend into more superior categories, but never into categories where other prototypes exist. In a way the 'Mard, Coolie category' had prototypes like Jackie Shroff and Anil Kapoor; therefore, an AB could not leave a mark (which is what prototype brands seek to do), change the category or dominate it. By extending into such categories, the AB brand itself declined. Thus, a Cadbury failed when it tried to extend into biscuits, also because it was a category already dominated by Britannia.

Time and again, the decline pointed to an extended and intense association with the category AB type films. The category itself dished out a single product — 'angry young man on the rampage' — with moderate tweaks to its ingredients.

Or had the brand aged, wondered Vikas. In a way, it could be said that the brand aged because it was not saying new things or doing new things for the consumer who was evolving. In short, the brand did not appear to belong to the changed era. The new era sought expression on the newer changed values. The 90s' individual was no more craving for attention or acceptance. In the 90s, everyone was busy with redefining the status of women, the role of the man as a father and a husband, extolling the complete man who wanted to survive through self-evolution. The icons of the modern-day individual were cola, IT, fitness, and the complete man who wanted to 'kuch paana hai, kuch kar dikhana hai'. Not one who battled a ghost from the past like 'mera baap chor hai' or 'mera baap kaun hai'.

Vikas had a distinct feeling that the brand AB born in the tumultuous era of the 70s, in fact, had the makings of the millennium hero — tough, cool, resilient and determined. Will this brand be allowed to survive, he wondered. Yes, he felt, if it adopts the modern contexts of future goals (*kuch paana hai*) and not merely resting on past ghosts (*mere paas maa hai*).

This case study of brand Amitabh, as presented by Parthiv Nair, has been drawn from the basis work of Santosh Desai, executive vice-president, McCann Erickson, India.

ANALYSIS I: ASHOKE BIJAPURKAR

The Brand Lifecycle

Ashoke Bijapurkar is president of Burson-Marsteller Roger Pereira Communications.



BRANDS need to reinvent themselves over time to stay relevant to their target audience. The Amitabh Bachchan (AB) brand handlers felt that the AB brand was beyond lifecycle and, as can be seen from his lifecycle chart, didn't reinvent him as early as they should have. They've done that with *Kaun Banega Crorepati*, and the brand is on the growth path again, reinvented to serve in a different consumer context, with a relevant consumer proposition.

Brands have finite lifecycles determined by the relevance of their core values to the larger socio-economic-cultural context in which their target customers live, and by the competitive environment they operate in. If either changes, it means it is time to reinvent the brand. Red Eveready was reinvented ('Give me Red') to make it relevant to a market that was moving from the torch-transistor segment to gizmo-packed urban homes. The brand now targeted the tech-friendly teenager in such households.

Colgate Dental Cream also believed that it could not be dethroned and stuck to the age-old proposition: 'Stop bad breath, fight tooth decay'. Along came Pepsodent that appealed to the more educated, health-conscious mothers with a well-defined proposition of fighting bacteria. Like the AB brand, Colgate, too, declined. It's important to know that product categories and brands within the category have different lifecycles. The hero or film star product will have a much longer, possibly infinite, lifecycle than the angry young man brand of a hero or a self-sacrificing romantic brand of hero.

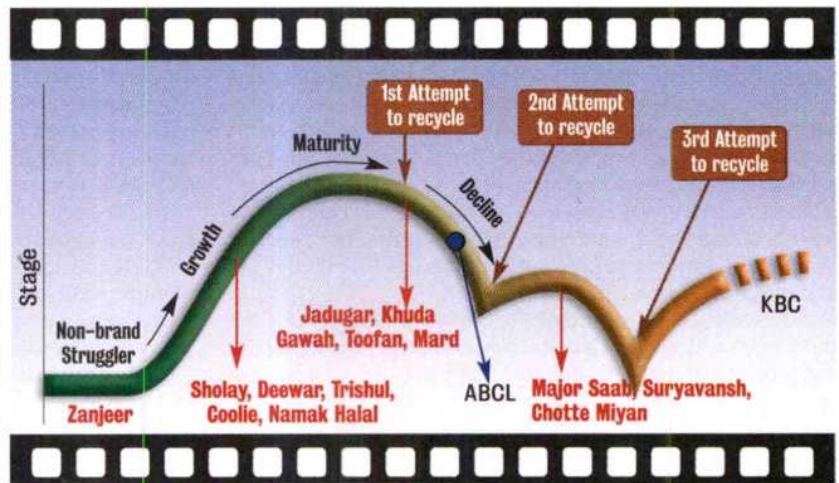
Analyse the brand's lifecycle. From the 'he doesn't fit into the hero mould' struggler in 1975, a non-brand turned into the 'angry young man brand'. And there was a steep upward growth. The leveling off began with films like *Jadugar* and *Toofan*. At this stage, the brand handlers should have seen that the AB brand was aging, and that there was a change in the environment which was triggering a change in public taste. The angry young man brand was

about fighting the establishment and winning; the pay-off was social justice. The gloom of the 70s gave way to a brighter era. The themes changed from social to economic issues, from obeying authority to freedom of choice. The baton had been passed on to a new generation, and Rajiv Gandhi hardly epitomised the oppressive establishment. In fact, the establishment agreed that it must dismantle itself.

The angry young man brand was soon out of sync with the world around. The brand handlers thought that sticking to the tried-and-tested formula would put it

himself and is extending a helping hand. Brand handlers must be vigilant about two aspects: its differentiation with respect to competition and its relevance to consumers. During its heyday, the AB brand was highly differentiated and relevant to the social-economic-political context. When it started losing out on differentiation and relevance, the handlers' unwillingness to depart from the proven formula damaged the brand further.

The brand is getting to be differentiated and relevant in a new way with *KBC*. It's telling consumers: "Here is a man who's



on the growth path (see accompanying graphic). This didn't work. And then came ABCL, an attempt to institutionalise and extend the brand over a wider arena of activities, and recycle it. This didn't work as the mother brand itself was weak. Assorted testimonial advertising fetched revenues but for the same reasons, did nothing for either the advertised brand or the AB brand.

KBC has managed to recycle the brand. It is tapping into the middle-class aspiration of getting rich, exploiting the new openness that it's okay to make money. "I made it and so can you," is what it's saying to the others. The angry young man has buried his ghosts, has come to terms with

achieved it all, knows how to get there, is supportive of your aspirations, and willing to help you realise your dream."

The AB brand has made the transition from the angry young underdog fighting for social justice, to a caring achiever who, having journeyed from rags (in a manner of speaking) to riches, is willing to hold your hand and guide you. What does this new brand have in common with the earlier one?

This brand is The Messiah with the Midas Touch. The old one was The Messiah of the Downtrodden Masses. The core value is the same. Only the consumer promise has changed, to become relevant to a changed consumer context.

ANALYSIS II: ASHOK JAIN & JEETENDRA JAIN

The Core Encore Of Amitabh

Ashok Jain is the CEO of Ideasyou.com and Jeetendra Jain is head (credit cards), Thomas Cook.



HEMANT MISHRA

Is the old brand dead? Has a new context been launched? What would happen to the brand in different contexts — the small screen, live shows, videos, dotcom, theatre, events and audio, for example? The traffic has vanished from the streets. One more question and there is a euphoria in this middle-class household in Nasik. The calm, sure and benign figure is about to 'lock' a good fortunate turn for yet another ordinary Indian. The paradigm has shifted from the 25 ft silver screen to the 25 inch idiot box. Amitabh Bachchan is a new category of entertainment and is now in your living room. And he is very close to your dreams too.

Why are the TRPs (television rating points) of *Kaun Banega Crorepati* zooming? Is it a case of serendipity for Amitabh Bachchan? The angry young man seems to be moving towards something interesting for his brandscript. But the question that remains unanswered is how does the core value of the brand operate in a context and how does the context itself add to or deplete the equity of the brand?

Core: The core values and the effect seem different, the brand persona itself has been recast into a different context. The saviour and the redeemer is here to save us again as the 'Messiah of a New Age'. To understand the brand, let us look closely at the lifescrypt of our hero.

Amitabh was launched as the angry young man or rebel by the Salim-Javed duo. The 70s was an era of post-communism, of tyranny, of the underprivileged, of the fight of the poor with the rich and Amitabh personified the dreams of the Indian masses. He did what they wanted to do themselves and he fulfilled their dreams through his brand personality.

As the context changed in the 80s and the 90s, the core values of the personality were no longer relevant to the changing context. Amitabh was definitely a case in point of the brand and the Salim-Javed 'context' was in conflict. The category created for him was long dead but was being flogged relentlessly.

Let us look at Amitabh's own lifescrypt.

He found himself interleaving between the screen personality and the real-life aspirations that he had. He started his 'career' trying to get a job with a couple of MNCs in Kolkata — corporate aspirations. Later in his career and with success in film, he even two enterprises — Ipca Labs and Trupacans. ABCL was a clear indicator of his ambition — to create an enterprise which revolves around him. The brand was completely misused at ABCL. Will *KBC* expand his core value? He seems to have 'stumbled' upon his own ambitions of being more suave, corporate and cultured than the rough, reckless and angry young man.

So, what is the value that is still running with this persona today? The blending of brand personality and context looks potent. The brand seems to be creating a new context and the context seems to be a stepping stone to maybe something bigger.

Encore: The context has changed today —

public fame is just what the masses want today — it is being delivered by the Amitabh personality. The brand seems to have embraced its lifescrypt. Amitabh is what he aspired to be and he is letting people become what they are aspiring for.

A similar brand is Harrison Ford. Ford retains the 'gutsy value' that his brand is known for in a different form in his new movies such as *Air Force One*. In this film, he is the same gutsy Ford but a suave, suited president of America. Or Arnold Schwarzenegger in *True Lies*. Schwarzenegger is sophisticated and not raw in *True Lies* but he is still the 'Terminator'. Amitabh needs to now use the core value of his brand script which is 'letting people live their dreams' through his persona. The context now is not of communism and corruption but one of achievement and capabilities. He needs to become a 'corporate don' or the 'well-mannered and reli-

Amitabh seems to be stumbling on to a new context and a new category that is enhancing his core values — exactly what a brand should do if the context in which it flourished is dying

being more informed, running with the dotcom goldrush and seeking instant riches and quick fame. Amitabh was the redeemer, the hope and the personality who could let you live your dreams — vicariously on the silver screen.

He now needs to create a new category. His choices are several but he needs to 'lock' the category with the core values that he had — delivering the dreams of the masses. Obviously, he can't play the young cupid-struck romantic like Shahrukh or Salman on the silver screen since he's not young any more.

With *KBC*, he seems to be stumbling on to something. It is not the *KBC* effect but the Amitabh magic for the masses. The dream of making millions and gaining

able IAS officer in times of crisis' or the 'corporate negotiator fighting boardroom battles' or the 'sharp, astute, ace detective' or the 'New Technology Dotcom Hero'.

Amitabh seems to be stumbling on to new things and a new category that is enhancing his core value. Exactly what a successful brand should endeavour to do if the context in which it flourished is dying. There could be interesting options for him from the *KBC* experience that he should now quickly exploit the opportunity in the new context. *KBC* seems to be a path which may be giving some answers to Amitabh who was once an icon of the Indian masses. Amitabh Bachchan can now bank on new contexts and further his brandscript. Any questions? ■

Design Drives The Car Market

In India, car design has so far been limited to tweaking a feature here or there. Is the Indian consumer finally getting more design-conscious?

This case study was first published in BW, 19 February 2001

■ MEERA SETH

ANUJ Iyer sat gingerly on the leather-upholstered seats of the Maruti Esteem. The cushioned seat sank beneath him. He leaned back and the backrest moved just that little bit to accommodate his inclination. Anuj touched the suede-dressed steering wheel and a glowing smiley icon flashed where the Esteem used to have its horn. Anuj grinned, then put his hand out to start the ignition. The car purred to a gentle start.

Anuj turned to his companion and smiled shyly, as though he were saying: "Gosh, this is beautiful!" Kabir Iqbal smiled back and nodded, as Anuj put the car into motion. It glided smoothly, then agreeably picked up speed as he changed gears. Kabir pressed various buttons and the CD-changer started playing a Beatles number. Soulful music gently filled the car. Just then Anuj's cellphone rang. Almost instinctively, he reached for his pocket, but Kabir stopped him, gesturing to him to keep on driving. The caller's voice rang out from the car's speakers, as the Beatles stopped singing.

Anuj was taken aback; he nearly lost control. Kabir laughed. "Speak!" he ordered in mock command. "Speak?" asked Anuj, "Into what?" "Just speak," said Kabir, "the mike is hidden up there. Go on, take the call." Later, Kabir showed him a pocket at the foot of the



driver's seat door where Anuj's cellphone was plugged in. "It activates on its own," he said.

Anuj was perplexed. "I didn't know Maruti offered all this," he said. "Fancy wipers, leather seats, CD-changer, hands-off cellphone system. 'Gosh!'"

"No," said Kabir, "the Esteem doesn't come with any of this. I did it myself. Soon, I will have a mini-computer device which will let me send emails from here and even view incoming messages. See this... this is a global positioning system."

"You are still hobby-horsing with electronics," said Anuj, "but when are you making it a vocation?"

Kabir laughed. "I can't see any car-maker in India

needing my services. I may go back to Detroit." Anuj shook his head. "Why not India?" he said, "Surely, they use car designers here too!"

"The industry is still in its infancy," said Kabir. "It's still about price and quality. Serious car designing does not happen here. They can't afford that yet."

Anuj wouldn't agree. "The Indian consumer has matured in his expectations," he said. "World-class technology and quality are now a given. Consumers are asking for new models each year. Even the Honda City had to change its body. Even Hyundai had to offer a variant within a year!"

"But it's still about adding one feature and taking away two, to balance the price line," said Kabir. "Companies here aren't adventurous about design yet: one, because it is frightfully expensive and two, you have to generate sufficient volumes to justify cost. The real action in design is happening in the US, said Kabir. After years of trying to scale up to Japanese standards, US car manufacturers have started a virtual renaissance in car design.

"America?" asked Anuj, surprised. "I thought real classy stuff came from Europe — BMW, Jaguar, Porsche, Renault..."

"That's changing," said Kabir. "America has wised up to Genera-

Carmakers are hiring different design teams in order to define each brand distinctively

tion Y which is used to imported cars and styles. That segment is waiting to be ensnared and American firms are going back to the drawing board. Today, they're hiring European designers and graduates from design schools at crazy prices. Because it is design that eventually builds image in cars. Until sometime ago, you had a basic design which defined your image for good. For example, all cars from your stable were aerodynamic or straight and rugged and that's the attribute your brand came to be known for. You never changed that.

"But today, car manufacturers are creating separate divisions for every brand and even hiring distinctive design teams to define each brand distinctively. The aggression is there for all to see. All the new designs in the US today are from European car designers — Renault, Audi, Volkswagen, BMW,.... The young grad from de-

sign school is precious too, for he has done it all — from nail cutters to poster beds. Which means, aesthetics apart, these are people who have a keen understanding of humans, lifestyles, operations and methods; these are people who are truly in sync with the mind and the body. Naturally, the designer is a key resource today and design itself has become a key result area for car manufacturers.

Gone are the days when the designer was the last man to be heard in a product development meeting. As a Chrysler executive vice-president, recently said: "They are no more the crazies in the corner who we'll talk to when we need 'em." Today, the biggies wait for the designer in the studio, where they treat them to 3D virtual images that show every corner of a car. It even lets you 'drive' the new design, where you can experience everything in virtual reality — floods, rains, slushy roads, rugged paths, driving in the mountains — even soft leather seats! Result? Product development can move faster from idea to design to market."

Anuj heard in rapt attention. Then he said: "But what has changed that has made design so relevant today?"

"Simply technology," said Kabir. "CAD (computer-aided design) software makes visualisation and design easy and possible. Of course, you can design all you want, but the execution itself has to be cost effective for a manufacturer to want it. Then again, there has been tremendous innovation in raw material and manufacturing technology, so that today even mass-market models can be easily given the appeal of a new-born. You know, it's not even product development cost in some cases. They simply use older engines and chassis' and produce fabulous bodies.

"Earlier, they used clay models and if a design did not pass muster, they returned to the drawing board and another clay model would take as many as six months to make. But in the last few years, CAD has lent agility and speed to designing. So, typically, there would be one guy on the computer and 20 guys — researchers and psychologists — sitting around dictating preferred design features. There is a projection system so that the car appears in the centre of the room. It is fascinating... you can actually show the seats, turn the car around. At the click of a button, you can change the grill, the lines, the curves and the design of the windows. You want to give it a mean look? That's possible too!"

Anuj reflected on Kabir's words for some time. It was, of course, apparent to him that through the design, the consumer was seeking a physical expression of his or her own personality. That's what drove them to buy some cars and not others. But how did the design actually render that, he asked Kabir. "A car is simply



an extension of your personality," said Kabir. "Which is why, a guy would buy an Esteem and then spend Rs 50,000 putting in a high-end stereo system, wipers that go up, spotlights, the works. Essentially, an Esteem is vanilla, what you then add on is the topping that represents your personality. But the point is, India is still at the stage of manufacturing vanillas. Naturally, because economics dictates that what you manufacture has to be mass-scale. You can't make money until you mass customise."

Car designs were almost taking a human quality, said Kabir. "Car designers talk about the haunches, the nostrils, the muscles,... it's almost as if a human being was evolving. Design specs read like this: flared butts, straight back, soft curves, visible sinews, squinty eyes,...." Both Kabir and Anuj burst out laughing and Kabir said: "It's true! Look at the Santro — it has a mean snarl. The 'teeth' in the front have vertical lines — just like a snarl. It's deliberate engineering geared to consumer preference."

"I have never heard of anyone saying he bought a Santro for its mean looks," said Anuj. "There is no one reason why a consumer chooses a particular car," said Kabir. "Aesthetics is one reason. In India, car design is still based on a broad brush evaluation of consumer preference. You know, evolving competitive markets, a desperate-to-spend middle-class, desire to look better than my neighbour,.... 'I am unique and better' — that's what the mean look helps to convey on the roads, consumer superiority in a way,...."

Kabir pulled out a picture from his wallet. "Take a look at this car, the Hummer," he said. "It's made by General Motors. All the hinges are on the outside, the bonnet closes with a clasp which is on the outside — this isn't elegant and dandy like your Cielos or Astras, but rugged and tough. It was used during World War II, and carried guns and ammunition mounted on it in the front. Today, the same design has been brought out with air-conditioning. And the colour remains olive green. Price? A hundred thousand dollars. And amazing sales. The rich and the famous, and the not-so-famous, want it. It's about power, ruggedness, performance; it's like an Arnold Schwarzenegger on wheels. And guess what? The windows are black and bullet-proof if you want them that way!"

Anuj grinned a 'wow'. "Clearly, it is a far more style-driven market out there," he laughed.

"Style is just a segment," said Kabir. "A more tangible trend you see there is the growth of the sports utility vehicle (SUV) segment. Or better still, the SUV cum pick-up truck segment. That trend is coming to India soon. The young here are already expressing that side of their personality. They want what is called an off-roader. A jeep is an off-roader. You drive it through slush, mud, rugged terrain, anywhere. Of course, in reality, 99% of the time, such a car may never go off the road into areas like that. But they want

that rugged look. The killer looks — Ray-Bans, tanned chest — that one sees in fashion magazines. But that's just the outside. Inside, they want a car which has all comforts. So, they want a car that's a blend of a car and an off-roader. Which is what a Pajero is."

"I thought the real appeal of car lies in its interiors," Anuj said. "The seats, the mechanism, the gears, the dashboard and all that."

"The consumption is also happening on the 'outside' of a car," said Kabir. "A lot of the externals are about who you want to be and what you want to be seen as. Because you are inside and everybody else is on the outside. See? The outside is my reflection of who I am on the outside. It's what I want others to perceive of me. Take the Dodge Maxx cab. It's an adaptation of a truck! The central part has a stereo, air-conditioning,... the back is a pick-up truck. Wow!"

"Now why would you want that? What would you put in the pick-up area? Flower pots, spades? The guy wants creature comforts inside. He wants reclining seats, swank upholstery, stereo, air-conditioning, GPS system, all that. Message? 'I want to be both!' Because, I am many personalities! Why, a huge percentage of the market for the pick-up van is women! Women want to be able to do anything. The pick-up van model actually enables all that. It's not a power issue for them as much as a car is about sensuousness for men. For women, it is a do-it-all buddy in which they go to work, pick up the kids, fetch the clothes from the laundry, get the Christmas tree, eggs, a new table,... everything. Have you seen what comes out of a woman's car? A swimming bag, laundry, three kinds of footwear, groceries, kids' schoolbags and toys, files and laptops, little mysterious parcels for various friends — they are doing many things together. It's a whole lifestyle!"

Kabir opened a small fridgaire under the dashboard and took out two cans of Coke. As he opened them, he said: "Again, depending on the positioning of the car, the inside design is either 'family' or 'I'. There are 'I' cars and 'we' cars or 'us' cars. The Zen is an 'I' car. It is personal, like an accessory — young, agile and obedient. Very few four-member families own a Zen. But there is no other feature in it that actually personalises it. Yet, that's where its evolution stands up to now. Through mere positioning, the value is communicated; remember the ad which shows a guy who lives next to his office, but drives the car all the way round before going home? What is he doing? Having fun with his car. Enjoying it. He gets immense pleasure from driving. It's him."

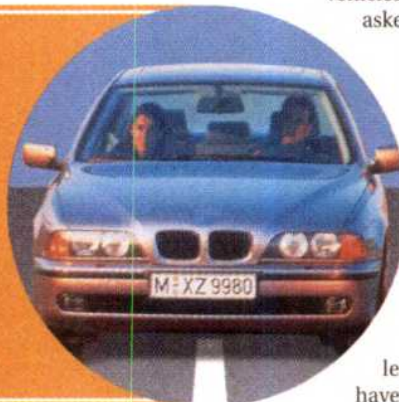
"So, the insides are what Indian carmakers are working on. Designing the externals is expensive. The economics of mass scale dictates that thou shalt not have many designs. If you spend millions designing a car, then it has to reflect somewhere on the unit price. Every customer would like a particular colour and a customised car."

But for a certain design to pay off, it needs to sell about a million vehicles. "Don't customers drive designs in cars?" asked Anuj.

"Indirectly," said Kabir. "Consumers and dealers express opinions. But nowhere in the world do they 'drive' design. They cannot be relied upon to predict styles. Cars are one product where you should not make the mistake of listening to the consumer! You should look at the bigger picture, which is simply this: younger consumers want style and functionality. But you can't take their advice on style. You can create a soap using consumer focus groups, but not cars."

"Here in India, I spoke to some dealers and learnt that carmakers hold events where they have something called car clinics. At these car clinics,

Indian carmakers are working on designing the insides. Designing the externals is expensive. The economics of mass scale dictates that thou shalt not have many designs



ics, they get consumers and dealers to respond to designs. That is a major input. On a regular basis, buyers tell dealers: 'If only the grill was like this, if only the colour was like that, if only the windows were shaped like this, or if only the headlights were like this,...' Now, at the car clinics, they get them to respond to the various designs on display. After seeing many such clinics, you ask a question where people will make these very observations in a number which is large enough to be representative. Car manufacturers then use those responses to drive market research. However, that appears to me a more tortuous process than the design itself. This process works on two sides: one from the customer's angle where they pick up these signals and convert them into design. The other is where design comes up with an idea and they take that to the dealers and consumers. But that is perilous! The Hummer is a classic example. He scoffed at it and said: 'Ugh! What a box! Who wants that for a car.' Now mind you, if they had listened to the customer, they would have made a stupid mistake. For, today, they make a 100% profit on that car! Because there was some gutsy guy somewhere in the upper echelons of General Motors who said: 'Man, this one will sell like gold.' So, you see, ultimately, design decisions are taken by managers, not customers.

"But managers, too, have a consumer inside them and some, consequently, have a more sensitive feel for consumer preferences on design. So it is clear that the Hummer guy knew or was clued in to what would have wider appeal. For that reason, marketing people in the automobile industry must be clued in to evolving tastes and preferences in most lifestyle categories.

"Then again, in India where the car market is still evolving, cars are yet to attain that kind of position in a customers' accessory list, for them to be more coherent and clued in to design needs. Today, they are still demanding features: 'It must have a stereo, a holder for a glass of water,...' But the triggers that influence these desires are themselves very fluid. For example, two years ago, they would have said, there must be a holder for a glass. Now, with Bisleri having become more affordable, and to an extent, even aspirational, it is now a holder for a bottle or a can of Coke. Some years ago, car boutiques would fit cars with a clasp for a new fire extinguisher that had entered the market. Okay, so most cars have a tray that lets you keep a glass, but the can and the 500 ml bottles do not stay upright. Do you get the point I am making? The design changes that are being suggested are at the level of features. Add-ons and comforts. Comforts, as a generic group, are



Designers always watch customers. They draw inferences from the environment and the products and feelings that are 'happening' in that environment

changing everyday. My sister wants a holder for tucking in a jar of wet wipes in her car. Sweat itself holds different connotations for men and women. For men, sweating is macho! For women, sweating is a sign of poor personal care. See? My brother-in-law got me to fit the rear of the front seat with a foldable tray, for he usually eats breakfast on his way to work. So, demands for new features will keep changing.

"Designers always watch consumers. For instance, in General Motors, there is a huge area called Generation Next; about 150 people work in that area and they actually research lifestyles. So, they project how humans are going to change in the future; if markets are to segment themselves in a particular manner, then what is the mindset that people are going to come with? They draw inferences from the environment and the products or feelings or values or colours that are 'happening' in that environment. For example, cars are now wearing a throwback to the 60s look. Why? In the US, AIDS has become such a serious social issue, that marriage and staying married is in. Marriage is about stability, so how do you put stability into your design?

"India is a very young country. Looking at the pace at which this generation is evolving and driving itself — look at young MBAs, young managers — there might be a huge opportunity in design. But given the volumes that the Indian market can possibly generate, it may not be profitable yet. Instead, they give him psychological cues through advertising. For example, don't change the design, but fine-tune communication. Sell the same car with a new message or sell it to him as an 'I' car."

Anuj ran a finger on the picture of the Hummer.

"That's my car!" he said. Kabir laughed. "Make that two!" he said. "But it won't come to India. We are still an unsatisfied economy. Basic demand is still for a car with good features. This has to be satisfied before the passions start developing!"



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ANALYSIS I: ROHTASH MAL

Customise To Win

Rohtash Mal, who was till recently chief general manager of Maruti Udyog, now works with the Bharti telecom group and is the CEO of one of its companies.



THE automobile market has come a long way since the Ford Model T, when you could have 'any colour as long as it was black'. In India, too, the omnipresent white Ambassador has given way to cars of various shapes, sizes and colours on Indian roads. Car manufacturers are vying with each other to get a larger share of the market, and 'varianting' has become the order of the day — a means to offer the consumer greater choice under the umbrella of a single mother brand.

The idea of 'varianting', or providing different looks or combinations of features, comes in when there is a saturation of demand for the basic version of a product — when adding frills or a new look will open up niches that were not looked at seriously earlier. So, from focussing on productivity indices to raise volumes, as markets matured, manufacturers have started looking at design or accessory differences, and the design guys, those 'crazies in the corner', have begun playing an integral role in this process.

The technology aspects of design and product development are playing a big role, with design timeframes going down dramatically as a result of advances in CAD, etc. This has given manufacturers the flexibility of a shorter time-to-market, and has reduced the cost of design to a considerable extent.

Even so, customisation has a cost — not just in terms of the features you add, but also in terms of higher inventory carrying costs, higher procurement costs for lower volumes, and time and development costs. So, in a market where the percentage of car-owning households is minuscule, does it make sense? Or, would it be better to offer just plain vanilla in larger numbers and at lower prices to cater to that huge base of 'no-car households'? A balance needs to be struck.

In the last five years, the average consumer has become much more savvy about cars — words like multi-point fuel injection and McPherson Strut suspension are no longer Greek to him. He demands features — power steering, central locking, stereo, leather seats, etc.

In some cases, he also demands design changes. He uses his car as a means of expression, an extension of his personality. There is a psychological pay-off that he gets from the external appearance of a car — what it says about him and the kind of person that he is. But if he wants a rugged exterior, he still wants the benefits of the comfort features inside — the product needs to be versatile to cater to both dimensions.

Though this is still largely a big-city phenomenon, where both penetration and exposure are high — in the smaller towns, the issues are more about price, reliability and availability of service — given that over 50% of car sales come from the Top 10 cities, the trends cannot be ignored. In an increasingly crowded market, manufacturers are using variants to fill the gap and capture niches that have not yet been explored.

Maruti offers six variants of the Zen, each catering to a different requirement of the customers within the overall appeal of the basic Zen brand. While 60% of the sales of the Zen still come from the 'plain vanilla' LX variant, the others help to retain consumers who would otherwise have gone in for different brands. This will also help build the image of the brand.

While companies like Maruti offer the consumer a minimum of three or four variants for each brand, complete customisation in terms of features or accessories is still quite a while away. In Japan, Suzuki produces the basic model at its factory. This is then sent to a pre-delivery inspection centre, where the customer's choice of accessories is fitted before the car is delivered. So the manufacturers get the advantages of mass-scale production, and yet the customer has the choice of adding on the frills that he wants at a price that is right for him.

What we're talking about here is the consumer designing a car of his choice in a very basic form — he chooses the kind of music system, the fabric and colour of his seat covers, and he decides whether to have power windows or not. But design customisation in terms of the basic shape of the car — wheel arches, fenders, bonnet, roof — is not really feasible at this stage for mass

manufacturers.

While customisation may not be an option at present, design also plays a vital role in building the image of a brand and contemporising products to extend their life cycles. What is critical here is a good understanding of the way consumer tastes and preferences are moving, as well as the projected path for the brand in terms of the position that it will occupy in the market.

Design firms sitting thousands of miles away, who have no understanding of the local context and aspirations, cannot do it. So, at the end of the day, while the basic plain vanilla product will be the mainstay of most automobile manufacturers for some years to come, they will also need to start looking at customisation, at least in terms of features or accessories, to retain the more evolved consumer.

A good beginning would be to start with the concept of a pre-delivery 'build your own car' centre that will also fit custom-ordered accessories, as in the Suzuki system in Japan. This would also enable them to trim the number of variants being made in the factory, and thereby improve efficiencies on the manufacturing line.

The other aspect — that of designing and styling (the externals of the car), cannot continue to be done by parent companies abroad, who are completely out of sync with the local context in India.

Automobile manufacturers here need to develop local competencies in this area, and here, someone like Kabir Iqbal could prove to be an invaluable resource. Someone who understands consumer requirements and can project how societal trends — changes in the way people live and changes in fashions and lifestyles — will impact consumer preferences in design and styling. Someone who will lead the process of giving consumers exactly what they want in a car, to start with in terms of features and accessories inside the car, and hopefully one day, with further developments in technology, to the externals as well.

So hang in there, Kabir Iqbal, the Marutis, Hyundais, General Motors and Daewoos of India could use you — and very effectively at that!

ANALYSIS II: SUBHABRATA GHOSH

Lifestyles Speed Up

Subhabrata Ghosh, executive director and COO of Saatchi & Saatchi, launched the Santro and the Accent in India. He has been modifying cars for racing and rallying — besides building street hot rods — for more than 30 years.



LEONARD AARONS

A decade ago, a conversation similar to the one Kabir and Anuj have in the case would have been unimaginable. But so would be the many trappings of today's elite. The automobile epitomises how far we've travelled as a post-reform society. Because a car captures the dreams, desires and even lusts of society.

Dating back to the days when the self-powered four-wheelers of Gottlieb Daimler and, later, Henry Ford started replacing the horse-drawn carriage, the car has captured advances in material science and engineering. Perhaps no other invention of man has been driven to such a degree of sophistication in performance, styling and safety.

The modern-day car combines engineering genius with creativity in design, luxury and comfort in a manner that is almost seamless. A multi-disciplinary approach is all too evident when one looks at marques like the Rolls Royce and the Bentley, performance machines like the Ferrari or even a sedan like the Merc or the value cars from Japan and the East. It is interesting to note that Anuj and Kabir are not unique voices. Even in India, economic growth is impacting the consumer in two ways. One, with greater cross-border mobility, Indians are constantly exposed to what the world is driving today. Two, growth of the auto industry is driving competition to differentiate with more sophistication. What took decades to happen in the US, is happening here already.

For decades, the Detroit Big Three — General Motors, Ford and Toyota — dictated what Americans would drive. The big blow to the might of the Big Three was dealt by the oil crisis. Suddenly, another voice started to be heard: the consumer. Scared due to spiralling oil prices, American motorists rejected the offerings from Detroit. The Europeans and the Japanese arrived with what were considered pip-squeaks compared to the mighty V8s.

The most significant dents were made by Volkswagen's Beetle, the Datsuns, and even the tiny Hondas. The world woke up to a new dimension in motoring: fuel efficiency. As these manufacturers converted toeholds in markets into major shares, car designers began working overtime on

other features. Safety became a big concern. This was the beginning of a major revolution in auto design. The word chassis disappeared from the lexicon of automotive designs and monocoques, two-box, three-box designs crowded the drawing boards. Advances were made in active safety systems with the introduction of disc brakes and power-assisted braking. Passive safety systems integrated shell design to give bigger crumple zones, energy absorbent bumpers, side-impact bars and even anti-roll bars. Alongside advances in safety systems came the problems of greenhouse gases. Again, legislation drove carmakers to design engines and subsystems that could meet emission norms. This led to the development of catalytic converters used in exhaust systems, and advances in cylinder head designs. In the 70s and 80s, another development took place. As the world got used to high gasoline prices, the basic human yearning to travel faster started to resurface. But existing engine designs could not meet the

safety. What was once the hallowed precincts of automobile engineers, became a happy hunting ground for designers. And then came the computer guys. The consumer was in total command. Manufacturers turned towards consumers for ideas. The birth of the multi-purpose vehicle and the sport utility vehicles resulted from consumer lifestyles. In-car entertainment communication and navigation had to conform to how the consumers used the vehicles.

Let's shift focus to what's happening here. We leapfrogged from the Ambassador/Fiat of the 50s to the Maruti and to the computer-controlled cars of the 21st century. Our lifestyles also leapfrogged from the typewriter to the Net, from cross-bar exchanges to WAP-enabled cellphones, from one Doordarshan channel to about 100 channels. In a decade, a seemingly-backward economy catapulted a section of the middle class urban elite to the frontier of the 21st century. Carmakers who arrived in India in the 80s and the 90s, were caught

Today, Indians are exposed to what the world is driving and want the same. Also, the growth of the auto industry is driving competition to differentiate with more sophistication

challenge of legislation-driven fuel economy and emissions norms. That sounded the death knell of the carburettor. The age of digital electronics controlling fuel and ignition systems had arrived. Technology that had been limited to performance sports cars crept into mass production. Multi-valve engines became the order of the day. Aerodynamics started playing a bigger role in reducing drag. The wedge shape became the darling of car designers.

Kabir and Anuj seem to be years ahead compared to what we have been tracing through history. While the auto went through several changes, so did our lifestyle. The end-social yield translated into consumer demand on the car to conform to lifestyle, convenience and luxury features along with performance and

unawares. Projections went awry. Consumers demanded the performance, safety, comfort that the first world was getting.

The disadvantage of this leapfrogging will obviously be the lack of a car manufacturing culture. The lack of trained manpower in product development. The high cost of developing technology locally. It will be even worse in the case of design due to the lack of knowledge in integration between engineering and design. While on the one hand, car buyers will rue the fact that what are essentially entry-level cars worldwide, are considered premium in India, on the other hand, manufacturers will find innovative ways to satisfy people like Kabir. For the timebeing, Anuj is part of the majority and Kabir is still the minority. It may be so for a short time only. ■

Delivering The Daily Bread

Mega Foods is labouring over the marketing mix of its ready-to-eat *chapatis*. Taran thinks success needs a technology drive, not a marketing drive

This case study was first published in BW, 1 April 2002

■ MEERA SETH

NITA Karnik peered at the test samples of *chapatis* from Mega Foods' kitchen. After three days of 'storage', one was as hard as a rock but yielded a bit after being put in the microwave; the second was soft but had split into two layers; and the last had turned mouldy. Nita groaned. She was not getting it right. But the results were due today, so she took them to Taran Mazumdar, the food consultant and technologist at Mega Industries' foods company. Taran, a reputed name in food technology and highly-regarded in food circles, had been hired by Mega Foods last year to drive its advent into the ready-to-eat (RTE) category.

"Sir, these are terrible," said Nita. "How can we show them to the marketing team?" Taran smiled and said, "Well, it's our job to let them know, after all they give us the brief. Show it to Satish and see what he says."

Satish Vyas, marketing head, Mega Foods, stared at the platter brought by Nita. He tasted each *chapati* and made a wry face and said, "This is nowhere near 'homemade'." Nita pulled open another zip-lock bag with fresh *chapatis*. "These are fresh!" protested Satish. "Yes," said Nita, "The brief you gave was 'homemade *chapatis*'. This is a homemade *chapati*. The moment I add preservatives or modify the wheat flour in any way, there will be a



significant change in the taste."

"Without preservatives, how will I get a five-day shelf life?" asked Satish. Nita stood her ground. "If I add preservatives, it is not homemade anymore," she said. "The *chapatis* should be exactly the way I make them for my family. Thereafter, what we do to take them from my kitchen to the consumer's home is the role of packaging. That is how they will truly be RTE." "Okay, then add something to this one to make it last," said Satish. "I must get at least four-days' shelf life."

Back in the research lab, Nita shut her eyes and pondered. Time and again she was hearing the same arguments — shelf life, pricing, servicing retail, consumer ac-

ceptance; it just did not make sense. Nita said: "I think we are working backwards. From how much profit we want, to selling costs, strategy and consumer education. They even have a positioning ready. All this scares me. We don't even have the product yet! We need to begin elsewhere, but I am not sure where. If they want the consumer to eat it after four days and find it just as good, then don't you think that something has to come from outside the recipe? I guess it's how you package it."

That day the research, marketing and sales teams met the managing director, Bhrigu Maini. Satish said: "We are nearly there, but I have asked the research team to increase the shelf life a bit." Turning to the market research head, Myna Sharma, Bhrigu asked: "Do you have reason to believe that the consumer will not accept foods with a higher shelf life?"

"In the case of *atta*, they have learnt the hard way," said Myna. "Even if you tell the housewife that this *atta* has a three-week shelf life, she looks for a brand that remains fresh. As a result, these stocks remain unsold as relatively 'fresher' stocks get bought. Now even

If you get a good product at the right price, there is no reason why the market will not grow

that depends a lot on which part of the country she is from. In the South, *atta* with a shelf life of four months sells because wheat is not core to south Indian cooking. This is exactly why 50% of the branded *atta* users are in the South. The north Indian consumer is a little more finicky and demands shorter shelf life. Worldwide, where people do not spend as much time cooking from scratch, they have managed to perfect tedious intermediates like puff pastries, filo sheets, spring roll covers and tortillas. We should be able to do it."

The sales head, Ritesh Pai, intervened: "Most people worldwide do not reheat their tortillas or burritos. They eat it cold — simply stuffing it with cold meat or salads straight from the cars into the covers. Such is their eating habit. The Indian palate is more taste- and temperature-conscious, despite India being a

warm country. Out there, even in the cold weather, they are happy eating cold food. And they are price conscious too!"

Myna agreed: "Yes, Indian consumers are price-conscious, too. Just examine the arithmetic: the consumer is buying *atta* at Rs 20 a kg. Therefore, 100 gm costs her Rs 2. With 100 gm she can make four *chapatis*. That is 50 paise per *chapati*. So, we have to price it sensibly. It will work but only after a long period of evolution. Just the way Maggi noodles did after a long time. It took a whole generation before Maggi became part of the grocery list. Thus, what it requires is someone to invest in this entire concept — in the learning, the evolution and in the related failures that it will certainly bring home. Nestle did it with Maggi, Kellogg's with cereal — it was a combination of product failure, taste failure, habit not developing, and such things. The *atta* guys are doing that with packaged *atta*, making people change to *atta* from ready packets rather than from the mill."

And so on they went, volleying viewpoints and opinions, research data and global trends, consumer behaviour and prices. Nita looked at Taran and whispered: "But where is the product?" Noticing her expression, Bhrigu asked her: "So, Nita, as the driver behind this project, tell me, why would women look at readymade *chapatis*?" Nita said: "Time is one factor — *chapatis* are not something you can have on demand. The process of standing in front of the fire for a minimum of 30 minutes is very tedious. Indian kitchens are not easy to work in. And if she has just returned from work, standing there is definitely not enjoyable. If the family is big, it means rolling out at least 25 *chapatis*. And everyone wants it hot because cold *chapatis* do not taste half as good as hot ones. That means a completely online process! So ready-to-eat is a good idea. I think people will buy."

"Of course, there is a market," said Satish, "and soon we will get our product right. But to give *chapatis* to these kind of families, you have to give *chapatis* that are soft, thin and taste fresh. Yes, a compromise will have to be made, because you can't get the same feel and taste in a readymade one. But I do think it is possible to get close to that ideal. The problem is the market for ready-to-eat *chapatis* is very small right now. To an extent, you can say that's because the consumer has still not seen a successful product. So, if you get a successful *chapati* and the price is right, there is no reason why the market should not grow. But to do this on a large scale, there are innumerable costs: packaging, distribution, dealer margins, retailer margins and sales taxes. So we must understand that it cannot come cheap."

A worried Ritesh said: "Right now I think the market is not large enough for us to get into it. We need to have a dependable distribution system and regional factories. Since you can't afford to transport *chapatis*, it will add to cost and shelf life."

The MD shook his head. "But the issue really is to not give up and to keep trying. Persisting till you get it right; perfecting the product and being around long enough to change habits. Yes, there will be a drop in volumes, going back to traditional ways, trying substitutes... all sorts of things. But you have to hang on. Persist. And keep talking to the consumer persistently as the product evolves, as the consumer evolves. Again I say, look at Maggi noodles. It's only today, after 17 years, that the business has evolved to a size of roughly Rs 150 crore. It's only now that they can see some money coming from the business. And it's only now that noodle-eating has become a habit in many homes."

"It was the kind of product which slowly moved into family habits. And they got their flavours wrong many times, but were quick to home in on the right flavour. So what did Maggi overcome? The first time Maggi came, people said: 'I can buy normal noodles at one-fifth the price. Why should I buy Maggi?' The people who first bought Maggi were those who were already using noodles. They were not new to the concept. These very people rejected Maggi. But Maggi persisted. So, there is a small market, but you have to trust it and play on it. Be around, make the losses if you want to be there 25 years from now. Hang on, persist..."

SATISH had a new thought. "But then when you finally evolve this market, competition will enter on your experience, bettering your processes. This is a product where there can be very little differentiation. Which means no amount of branding is going to make you better than the *chapati* next door. Finally, it is a commodity. So you are also investing in a low-margin business. Do we really want to get into something like this? Is this a product for Mega? Who should enter this business? Is it MNCs, *atta* companies, small regional fellows,... Which one is best suited?"

Taran grew restless over what he saw as meaningless meanderings. Trying to bring in focus, he said: "I do think it has to be companies that care about innovating, creating, maybe even daring to dream. Mega Foods is too process-driven, but others like Conagra, Cargill and Pillsbury have the advantage of not being process-obsessed. They are perfectly poised to innovate and introduce *rotis*."

"Mega already has a business in haircare and skincare. It entered foods later in collaboration with Chapman of Italy, which brought in its range of spreads and flavours followed by *atta* and spices. But I am not sure that qualifies you to enter the RTE category. Mega is driven by Chapman's processes. We have systems

and mechanisms in place that are institutionalised; each new introduction, promo and packaging has been 'processed'. So every new introduction will be audited against templates, based on how it was done in the past. How cheese was sold or how pasta was marketed, and not zero-based. What we are trying to do is create a new product medium that needs zero-based thinking independent of old memories and experiences. We are trying to give the consumer an all-new experience!"

"Pardon my saying this," said Taran, "all these companies, including Mega Foods, are headed by marketing professionals who are more concerned about positioning, segmentation and pricing. What we need to do is understand food technology, cuisinology — the difference between a *kulcha* and a *missi roti*, between fermentation and freezing technology, between shelf stability and the freezer, and work on these elements and invest in them."

"It's a myth that only big companies can innovate. See how agile the smaller companies in this business are. Check the taste and quality offered by MTR, Parampara, Gits; small companies that have really homed in on taste. Why, housewives are delivering same quality, even if smaller volumes, to the *kiranas* and their focus is taste, exactly what a food company should first drive at, no marketing, strategy, positioning. Why focus on all this? You are not creating demand, it's already there. We are entering an all-new category, RTE *chapatis*. We still have no marketable product, but our marketing thinking is superseding our manufacturing capability and product-development thinking. Whereas, in fact, we need to be working at an even earlier stage where we are looking at innovating the product to be able to deliver *tava-fresh chapatis*."

"I have met numerous operators in foods in many parts of the world. Small and big ones who are successfully turning out *tortillas*, *chapatis*, *naans*, *kulchas* and many RTE meal replacements. What stands out is their agility across elephantine systems or simply absence of systems that disable or deter a company from doing maverick research."

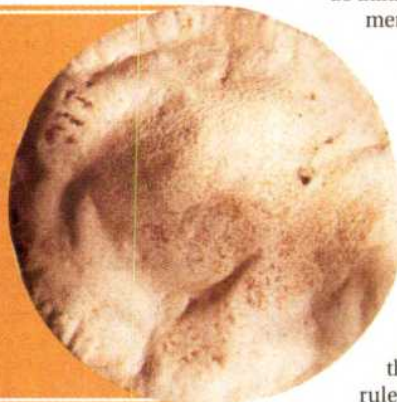
"Bhriгу, I have a role to play here, so take my words in the right spirit. Tell me, what new products in food have we introduced? The last 'innovative' product from our food stable was Swan *atta*. This was followed by Swan *dal*, Swan rice and other such meaningless commodities. All the food companies in India that I know of are headed by marketing professionals while the food technologists have been 'tokenised'. In the foods business, especially the RTE/RTS (ready-to-serve) categories, cuisinology should be king. Not marketing. Our mission should be to make great-tasting food first and deliver it in a truly revolutionary technology, adding value to the consumer's life. As Nita rightly says, it must be 'made at home and ready to eat, ready to cook, ready to pour or ready to serve."

do think that should be our starting point instead of segmentation, positioning and demand forecasting."

Bhriгу heaved a huge sigh and said: "I agree with your observations, Taran, but while we continue our marketing thrust, we will now keep product development upfront too."

For Nita, a post-graduate from a catering college, some of what was being said was not clear. Returning to the research lab, she confronted Taran and said: "Why do you think Indian companies are driven so heavily by marketing?" Smiling, Taran replied: "At the time when India decided to get onto the management bandwagon, it was the era of marketing in the US. Kotler and Levitt ruled. Marketing was aspirational and engineers

The product should taste as if it has been made at home and should be ready to eat. This should be the starting point instead of positioning, segmenting and demand forecasting



moved away from manufacturing and research to MBA and marketing. We missed the 40s, 50s and 60s, when manufacturing was the focus in the West, when they built infrastructure and heavy industry. So Indian managers learnt clever ways to market new widgets. That is our national tragedy. And the consumer has paid the price. We have 50 new ads for a soap but not 50 new soaps in the last decade! Which is why we have far more brand ideas than product ideas!"

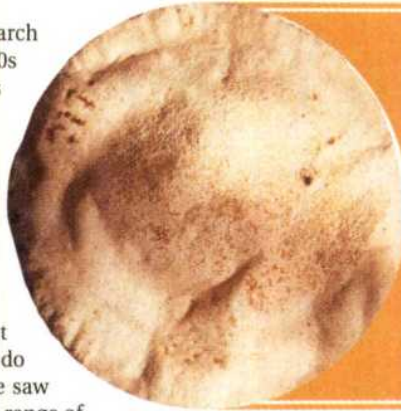
"The other thing, sir," said Nita, "about small companies being more successful; how do they get it right? In Singapore last year, we saw Rasna's Curry-in-a-Hurry. It was a fabulous range of gravies and RTE foods. And, Rasna is smaller than us." Taran agreed: "Because they are companies conceived on the platform of innovation. Rasna took birth to deliver a new product, a completely innovative idea, like its instant juices. Whereas bigger companies like Mega, which have only adopted the McKinsey Food Report, gave birth to a foods department to market existing innovations from collaborators. So we have noodles, soups, mayonnaise, spreads — things which have already been tried and tested."

Nita nodded and said: "Sir, my mother is a great cook — and mind you, she is no catering college graduate but an SSC-pass, Shivaji Park Maharashtrian — she caters French and Chinese cuisines for parties because she has a passion for serving unique foods at home! Maybe, Mega Foods needs to have her passion." Taran laughed and said: "Why not! But the passion for creating new products in Mega has disappeared. They are preoccupied with reconfirming theories of economies of scale. Enough research money needs to be spent in learning lessons from the bread/tortilla markets around the world."

"And at what stage in the evolution of a company does this happen?" asked Nita. "I mean this delink from a passion for manufacturing, this getting caught up in the mesh and arithmetic of economies of scale... getting entangled in targets, prices, volumes. I have been hearing just this today!"

"It does not have to happen," said Taran. "A company's devotion to innovation can be seen from what percentage of revenues comes from their more recent products and how much from old products. It's a rough index of innovation. In Mega, 70-80% of revenue probably comes from products that have been there for 80% of its existence." Nita pondered. There were so many Indian companies which were so good at what they did. Such good names — ITC, Levers, Godrej, Tatas. "Couldn't they create a revolution in foods?" she asked Taran. "All these companies were born tough, grew healthy, stayed rich and intelligent, nourished on sound middle-class values, have disciplined lives, strong beliefs, do right by the book, and then their vision gets blurred... they lose their passion for manufacturing and suddenly become traders. They get caught up in a completely different pursuit... why? It seems that we want to improve our lot but are frightened to go all the way. It's an attitude thing. Once you decide to do something, you have to start from ABC, not jump to sentence-building. Don't give up."

"At catering school, when our 'Breads' semester began, we spent three months only studying different flours! How different harvest times impact wheat quality, how gluten works and all that. We didn't start kneading dough until we had experimented with yeast, understood the different sweeteners and how they impact the leavening. Now, when I think about all this, I feel that the fault in the product not taking shape does not lie with research, but



The fault in the product not taking shape does not lie with research but with the lack of passion for the product. It's not about pricing, positioning and taste

with the lack of passion for the product. It is not a about pricing, positioning or taste — all this will fall in place. Instead, the issue is the place this innovation occupies in their priority list. We come back to 'what happened to the *chapati*?' every now and then... visiting it like an ailing patient, but not nursing it constantly. So, as long as we give it that 'vacation attention', it will remain a passing fancy, not a real passion."

NITA was annoyed. Taran was right. R&D was a backroom operation at Mega. "Sir," she said, "non-Indians are getting *chapatis* right. In the UK and the US, how come they have got the tortillas right? There is that Greek man who owns a company called Kontos in the US and he has the understanding of *missi rotis* and the passion to develop it. How come?"

Taran said: "There is a penchant for detail that we've seen elsewhere that is starkly missing in India. Kontos understands the process of fermentation and difference between *missi roti* and *kulcha*. Why, a Singapore Chinese runs the largest *roti* production facility in the Far East. He's the largest seller of *paranthas* in the Chinese market! The bottomline is that we need an eye for detail and a deep understanding rather than the 'give me the big picture' culture. In India, there appears to be a peculiar divide. Food product innovation is the domain of small companies which lack infrastructure, and large companies with infrastructure are singularly lacking in new product ideas."

"Yet, small companies without infrastructure have been able to take their product ideas to success," argued Nita. "So, is infrastructure such a big issue after all?"

"Again, it's not infrastructure itself," explained Taran. "It has to do with this preoccupation with ensuring that it pays for itself. Thus, you end up getting into products that are already proven profitable. Therefore, you get marketing-driven, sales-driven, etc. It would be like if your mother got worried about how the table should be laid and what napkins to use and not with what she was going to serve on that table. What I call consumer need-driven. That is again why big businesses are headed by marketing people and not technologists."

Just then Satish walked in and said: "Taran, we have to crack this thing soon, what's missing?"

"Very simply, focus on packaging technology," said Taran. "Making a *chapati* is no rocket science, but yes, the packaging is. You need to take the old product and put it in a new medium to overcome country infrastructure deficiencies. Develop innovative packaging, preservation and delivery forms. That should be our focus. I believe the devil is in the detail and success is in the passion. So get the passion and packaging right; the marketing mix will fall in place. Can you invest?" ■

ANALYSIS I: G.S. RAMESH

Innovate To Lead

G.S. Ramesh has been associated with the foods industry for the last 17 years and has worked extensively on wheat flour and dough-based products. He is vice-president (technical) at Ballarpur Foods Division — The Global Green Company.



INDIAN food habits are deep-rooted and have their origins in varying cultural backgrounds. It is but natural that our food habits differ from region to region. Any foray into a food category has to be backed by a thorough understanding of consumer habits, raw materials used, preparation methods, need gaps, basic minimal expectation for the food category and identification of the 'key quality drivers'. This requires consumer profiling in the key regions since there is no 'one size fits all' solution.

The consumer has high expectations from ready-to-eat products. Especially from a product like the *chapati*, which forms the core meal in most Indian homes. It is a category where consumer expertise is well developed compared to products like bread, cakes and beverages.

The quality of *chapatis* made varies from home to home. It is always served fresh. Apart from sheer convenience, the product should offer value to the consumer. It has to be tailor-made for each region's specific needs and delivered fresh. On the flipside, it is a challenge to get the format right in terms of thickness, size, colour, taste and softness.

The technologist faces a huge challenge in developing a product which stays fresh for a reasonable period of time and survives the peculiar distribution system of our country. Add to this the possibility of 7-10% unsold stock per day which has to be picked from the outlets and dealt with. (The current bread system generates nearly 5-6% returns).

Consequently, the task of the sales and distribution (S&D) system and the marketer becomes challenging. Formulating a product using atta without preservatives, retaining the natural taste, manufacturing millions of *chapatis* day after day and distributing them efficiently is a huge task for the entire team. This needs a well-coordinated effort from market research, technologists, marketing and S&D system.

The tortillas, burritos and kulchas manufactured outside India use refined flour which makes extending shelf life

easier. Refined flour/*maida* does not have bran and the components that give out an odour when stored. In addition to this, the atmosphere inside the packaging is modified to prevent microbial growth and chemical changes.

The status of the product at Mega indicates that a lot needs to be done in terms of formulation. Nita could use ingredients to retard physico-chemical changes (*chapati* becoming hard or breaking). She could inhibit microbial growth by using ingredients to make the substrate non-conductive for growth. Unlike preservatives, these ingredients will not change taste or flavour significantly. They can also use packaging technology that modifies the atmosphere to help prevent microbial growth and retard chemical changes.

These technologies are widely used and are available at a price that could add significantly to the end price. The Indian consumer is price sensitive. Price sensitiv-

proach will address a lot of the problems faced by the technologist and marketers.

I talk about 'refrigerated' and not 'frozen' as this distribution system is better developed in the country than the frozen chain. We have dairy products distributed extensively and retail outlets are equipped with refrigerators. The *chapatis* could be sold as refrigerated sheeted circles for the housewife to convert to finished form as and when required. Line extensions could be plain or flavoured *paranthas*.

The product range could be upgraded to semi-finished stuffed breads in frozen form as and when Mega builds its business and the frozen chain develops. These enhancements will lead to a perception that Mega is a company which innovates progressively and is moving up the value chain into more premium products where the price barrier would be lower. This will further enable Mega to extend itself into dough-based snack category.

Mega Foods' primary thrust should be on product innovation that will enable its progress up the value chain into more premium variants where the price barrier will be lower

ity is less only when the consumer expertise is low. If Mega persists, the growth in the volume of business will favourably address the price factor.

Another alternative is to have refrigerated semi-prepared products. This process delivers products closest to home made ones. Through this process the *chapati* can be manufactured up to a stage where the dough is prepared, sheeted, refrigerated and then delivered to the consumer. This can then be finished at home by the lady of the house giving her the satisfaction of having prepared the product and also giving it the home-made feel. The product packaging would be simpler as refrigeration does not require modified atmosphere within the package. This ap-

Mega has to look beyond *chapatis* at other speciality Indian breads like *naans* and *kulchas*. The consumer does not normally make these at home and this category would probably pose a lesser challenge to the technologist to formulate and be easier for the marketer and S&D system to sell.

The food business calls for perseverance, continuous upgradation of technology, identifying consumer needs and developing product offerings through innovation. Technologists have to manage the evolution in the market by offering products, which meet consumer expectations, price points and identify opportunities to upgrade as the market matures. There are, after all, no short cuts in the food business.

ANALYSIS II: MEERA & ASHOK VASUDEVAN

Dare To Differ

Meera and Ashok Vasudevan are co-founders of ASG-Omni, a US- and India-based consulting firm. One of its areas of specialisation is the design of entry strategies for US firms into India and for Indian firms into the US. ASG-Omni specialises in foods, IT and the biotech sector. Meera and Ashok live in Stamford, Connecticut.



BHRIGU Maini, the president of Mega Foods, needs to make just one calculation every day — an average family of five in India consumes approximately 30 *chapatis* daily. This translates to a whopping 2 trillion *chapatis* a year! Almost all *chapatis* in India are cooked at home and hardly any company captures significant revenues from this market.

Now, consider another statistic. The US is not a *chapati*-eating market; yet, in 2000, Americans consumed 83 billion tortillas (the Mexican counterpart of the *chapati*). In the US, however, branded tortilla manufacturers racked up \$4.4 billion in revenue in 2000. No amount of intellectualising within the portals of Corporate India can justify not having a dozen brands in this market scrambling for a share of the 2 trillion *chapatis*.

The debate at Mega Foods as discussed in the case is a microcosm of a larger national issue — will India continue to present itself as a prize to be won by the likes of global tortilla manufacturers, or can it 'globalise' the Indian *chapati*?

Taran and Nita's debate addresses a more fundamental problem — can India first 'localise' the *chapati* before globalising it? Nita's question is poignant: "...but where is the product?" Mega Foods is confronting issues that have besieged the Indian food industry for decades: low food technology expertise, poor manufacturing standards and continued reluctance to invent and innovate.

The importance of innovation in the Indian foods industry only gains significance if we were to consider some of the world trends:

The HMR Phenomenon: Perhaps, the biggest global trend of the past decade is the emergence of the home meal replacement (HMR) category. HMR refers to packaged, ready-to-eat/ready-to-heat prepared foods that replace the home-cooked meal. This could be as basic as salads and as complex as ready-to-eat entrees. The HMR business in the US last year was estimated at \$80 billion; almost a fourth of the total grocery market.

Eating Healthy: Consumers are unwilling to trade nutrition and health for convenience. There is an increasing reluctance to accept preservatives and chemicals in processed foods. In the US, the natural foods segment is growing by 23% annually while grocery registers a sluggish 1.5% growth! The emergence of food labeling regulations around the world is both a stimulus and a response to this heightened awareness.

Globalised Palates: Last year, the UK declared *chicken tikka masala* as their 'national dish', Thai food registered a 30% growth in the US and pizza parlours cropped up all over India. Clearly, consumers everywhere have developed a palate for international cuisines.

Innovative food companies around the world have already enhanced their product offerings to leverage these trends. In India, too, we are witnessing the begin-

nings of some interesting market activity. challenges and it is up to the innovator to select. The foods industry will be quick to point out that both the frozen and chilled forms in India are unviable, not because of poor technology, but because of the absence of the cold chain infrastructure. The ambient *chapati*, of course, has shelf life issues and will present a logistical problem of another kind. A successful innovation is one where these challenges are overcome.

Interestingly, there is a peculiar aspect to innovation in the Indian food industry. Look around you and you will notice that bulk of the innovation comes from small and mid-sized companies that do not have the funding or infrastructure to innovate. On the other hand, the large food majors have not really brought anything innovative to market in a long while, despite their financial strength, well-funded R&D and infrastructure advantages. This is not the case in too many developed markets and

Mega Foods can bank upon the huge domestic market for *chapatis*. Besides, it must not forget that there is a very large and untapped global market that it is a potential growth area

Consider these examples:

- A familiar product in a new medium — Tasty Bite ready-to-eat Indian food in a retort pouch.
- A new product in a known medium — Pillsbury cake mix for pressure cookers.
- A new product in a new medium — Kellogg's cereals with cold milk.

Mega Foods' challenge is to deliver the traditional *chapati* in a ready-to-heat pack while addressing quality and price considerations. They need to offer this familiar product in a brand new medium. The issue then shifts from marketing to product development.

There are a number of ways in which this innovation is possible — frozen, chilled or ambient. All these forms present unique

maybe it's time for the Indian industry to address this disconnect.

The managers at Mega Foods need to ask themselves a different question. Not whether the Indian market is large enough, but whether it is enough!

We have many of the building blocks and the comparative advantages to go global with *chapatis*. India is one of the major producers of high-quality wheat in the world. We have a massive domestic market for *chapatis*, which will provide the economies of scale to become cost competitive globally. Finally, there already exists a very large and ready international market.

Mega Foods is only one of many companies in India that can benefit from this large international opportunity... if it dares to innovate!

R.R. Nair, who is advisor and consultant, organisation development, Hindustan Lever (HLL), is a veteran in the field of human resources management, with 29 years of expertise in HLL and Unilever's Asia Business Group. RR, as he is popularly called, was selected by the National HRD Network for the National Award for outstanding contribution to HR. As one of our most valuable analysts, RR has cohesively examined every case and the opinions of analysts, bringing into focus the challenges faced by managers in companies in India today.

WHILE playing the role of 'sutradhar' in the last Case Study Special of *Businessworld*, I noted that 'change' was a central theme running through all the cases. This time, the case studies offer a wider variety of internal organisational issues. The spotlight is mostly turned inward in terms of concerns like developing a performance culture, managing career aspirations, aligning values, behaviour and leadership styles and work-life balancing. These concerns need to be understood and handled well, irrespective of the turbulent market environment, as these are core to the organisation.

A lack of responsiveness to local culture, while implementing a performance appraisal system, is a case in point. A senior manager, who had worked hard to turn around a company, is now totally disillusioned, as his expectations from his bosses and his faith in the system was shattered! Another case tackles the question of whether to trust the system to take care of career growth, or to rely on oneself to take charge and shape one's future career. Yet another case deals with a leader who promotes self-interest at the cost of disowning his responsibility for developing teammates. The value dilemma comes up again

pabilities and are encouraged to develop themselves for the future. Over the last few years, many organisations have begun to use 'full-circle', 'multi-rater' assessments as a means to appraise an individual's present performance or future potential. Such assessments — sometimes called 360° appraisals — are useful in collecting performance data. While many questions arise in its usage, the most critical aspect is how will the assessment be conducted? What will be done with the results, how will they be interpreted and used? All these should be answered before the organisation undertakes the exercise. While a fixture of organisational life, the process has not been immune to criticism.

At Welcase India (See 'Measured Performance'), low morale had its roots in the company's performance management processes. The feedback was to be used as an input for self-development. But in India, the parent company had decided to use the data to identify the potential of people. Bosses did not spend enough time on the process; they felt that it was a one-sided affair, unfair and inconsistent. In this situation, the CEO is the most important variable, as analyst Jonathan Pinto points out. Pinto feels that the CEO has the maximum impact on organisational values and culture. Ajit Varma asserts that a purely result-oriented culture will lead to 'organisational dryness' — it will inhibit creativity, team building and learning. And, as Kiran Khalap summarises, Baruah, having spent his formative years in the US, must adjust to the Indian ethos; must engage in dialogue. As the HR head, it is Mitter's responsibility to help Baruah understand the problem. Achal Bhagat is even more direct. He feels the Welcase management was violating all the key principles of performance management, viz. the feedback loop has to be circular. Listen to people. Then, give them a chance to respond to feedback.



Human Resources

when a person's blind identification with the company and its professed values preclude him from criticising his former employers. This predicament is in sharp contrast to the head of HR who experienced great anguish when confronted with a downsizing plan. Today, he is prepared to sacrifice a few, to protect the interest of the stakeholders.

In the last Case Study Special, there was a case which touched upon the purpose of work life. Here, we have one which addresses this concern in a very direct and bold manner. Managers today are on a treadmill: they can't get off, and they can't stay on it forever! Another case deals with the mental battles that are fought by even very successful managers. In this case, the person resigned after barely five months in the firm. Many move towards new horizons seeking challenges and fulfilment, only to discover disillusionment. A place that did not exist, where it was difficult to create space for oneself. Finally, we encounter issues such as low morale, loss of identity and frustration. How does one convert an organisational entity into a high-performing team with a convergent vision, striving for collective excellence?

Performance Management

Performance management is the process of creating a work environment, in which people want to perform to the peak of their ca-

Management Of Careers

Career moves are stressful events even at the best of times. When Kapil Bahl (See 'Promises To Keep'), decided to leave Pellmer after a long stint and joined D'espirit, he assumed that he would have the same confidence level in the new company and its leadership. Instead, his job became redundant post a global restructuring, and none of his expectations were fulfilled.

As analyst Ashok Sapra points out, Raina, the CEO, should have shown concern for the dignity and self-respect of Bahl and ensured support through his network during redeployment from inception to completion. Instead, Raina was reactive; there was no cohesive plan. Aquil Basrai, in his analysis, is justified in saying that trusting the system to take care of career growth may be a noble idea, but losing control in shaping the future is a step backward! This case also raises the question on the role of the CEO and the HR team. As Basrai points out, HR grossly failed to play the crucial role of employee advocacy. A crisis of governance is evident in D'espirit.

Taking Charge

What best practices exist for the effective management of leadership succession? How is succession management integrated with development practices? The case 'Finding The Right

Leader' raises several questions about the appropriate leadership styles required for organisation building. Following the departure of Kak, the general feeling was that the foods division had a slim chance of sustaining its high performance level. The choice of a successor was between Puri and Kalra. K.R.S. Murthy's insightful perspective is that the dominant organisation concept at Kumon is of individuals with skills and problem-solving capabilities, operating within sub-cultures. They believe in centralised interventions without any real delegation. If Kumon wants to build a sustainable advantage for the foods business, then, as Murthy points out, the company's management committee has to articulate the assumptions on leadership required to guide the strategies. The other analyst, Matangi Gowrishanker, is of the view that it is when people have a joint sense of ownership that real time growth takes place for people as well as organisations. Kumon's eventual decision to choose between Puri and Kalra, will also depend upon the type of coaching and support they require, based on competency assessments. Coaching is a highly effective means for fostering performance improvement.

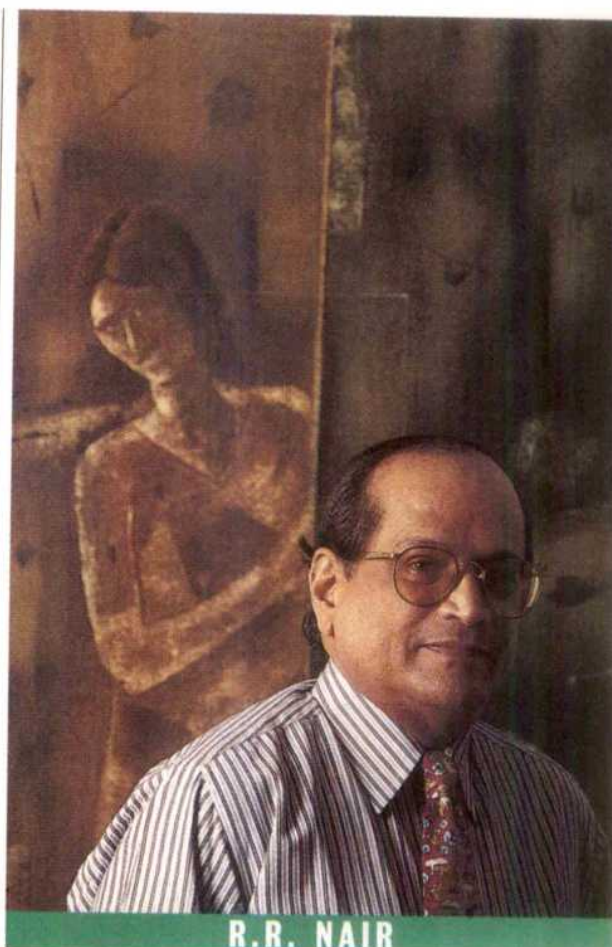
Creating A New Business Ethos

There was a time when employees believed that they would get a job with one company and stay with that company until retirement. They assumed that when a job offer was made, they were establishing a long-term relationship. Of course, this is no longer valid. Even the Japanese have abandoned the concept of long-term employment; they now focus on employability. This change has profound implications on the need to evolve a long-term vision for HR management. Bhriku Raaj (See 'Cutting Without A Qualm') of GenTech India, despite the guilt associated with the first downsizing exercise, has no qualms today of cutting numbers. While Raaj may be convinced of the business necessity, has GenTech undertaken a planned HR strategy to align its people and promote a new business ethos? Communicating the new vision for survival and growth, initiatives for re-skilling and coaching are all steps in the right direction. Indeed, weeding out 'weak players' will not destroy morale. Instead, it will promote strong performance culture. As K. Ganesh says, GenTech needs to address the human issues with greater care. He is also of the view that employees, too, should take ownership — broadbase and upgrade their skills to remain employable.

Exercising Life Choices

Ten years ago, people worked hard to become successful, for increments and that odd promotion. Today, every year could take you up two rungs. Managers work harder to remain successful, salient and relevant. It is against this background that the story of Shuklaji (See 'Man Or Machine') unfolds itself through the eyes of his wife Kanta. Her impassioned letter to her husband's chairman is a timely reminder of the perils of chasing exclusively what the 'outside world wants', at the cost of life's emotional and spiritual dimensions. Partly, Shuklaji's plight is his own creation. The professional in him ends up being more of an enigma than a person. Analyst Atul Mathur, at a philosophical level, attributes his dilemma to the "consumerist treadmill". If the consumer can be inspired to want less,

There was a time when employees assumed that when a job offer was made, they were establishing a long-term relationship. This is no longer valid



some future Shuklajis can be saved! On a more practical plane, Mathur addresses the issue of instituting a 'shadow' system — someone who works alongside the manager and thereby take on some load. Sensitising managers along with their spouses through personal growth workshops is another way forward. Zahid Gangjee, on the other hand, believes that the issue is also about "life choices and meaningful activity". Gangjee encourages

acquiring skills in three areas: career, partnering and parenting. Exclusive focus on career at the cost of the other two will create dissonance in many lives. Organisations have become aware of the perils of a single-track orientation and are taking steps to facilitate a more healthier work-life balance for their people. More innovations in this area will be seen as the competitive pressures rise!

Obsession With Values

Values are the organisation's essential and enduring tenets. They describe ethical expectations for those who live and work in a corporation. Dinkar's dilemma, (See 'The Value Dilemma') at one level, is understandable. He grew up on a diet of Bilva values, which his father, an ex-employee, too had experienced. Yet, he was amazed to find his bosses closing

their eyes to a whole range of reckless commercial irregularities.

Analyst Vikram Lal asks: "Is identification with Bilva Group Dinkar's only aberration, or does it define his personality?" If the latter, he may be difficult to work with. According to Lal, the board put the tie-up with the French firm above systems and ethical practices. Protecting a company that was engaged in a variety of malpractices, and that had ill-treated him, shows "naivete of a very high order". Jeswant Nair, in his analysis, feels that "blind loyalty often causes hurt". Dinkar seems to lack in a strategic vision of his role and tactical thinking. Nair would encourage Dinkar to seriously reflect on his leadership style. The prospective client is well within its right to explore his value obsession and underlying motivation.

Management Of Disappointment

Disappointments don't happen. They are caused. In the name of a smooth change over, we often see a new senior manager floating around for over six months! Then, there are organisations which recruit someone with great difficulty, and announce their arrival in glowing terms. Yet, the company does not prepare the current incumbent to let go of his earlier role following an internal restructuring. In some cases, these decisions are not subjected to any discipline. Unclear accountability seems to be a widespread malaise. The result is 'organisational schizophrenia' and subsequent disappointments.

At Cantor, Shukla ('Disappointment Management') felt good after resigning! He joined Cantor five months ago as its vice-president (sales and distribution). Following this, Baruah who was heading sales and distribution, was asked to take over supply chain. Baruah was unhappy with the change. With their boss Arora unavailable most of the time, the inevitable happened. Being the managing director's blue-eyed boy, Baruah continued to play his earlier role. Confusion began building up among the team, his peers and customers. Though resolving the problem was on top of Shukla's mind, he did not display any initiative to deal with it. As Bhagat says: "Before you create new beginnings, you have to manage endings." Shukla seemed to be paralysed by his two assumptions. One, as a good manager he should be able to manage the situation. Two, this short stint could become a definition for the rest of his career. Bhagat feels that these assumptions left Shukla feeling helpless and stressed. Sometimes, we feel so frightened of the choices we make that we give up the right to make choices. Shukla finally made the choice, but he waited too long.

Why did Cantor create a new position and invite Shukla in the first place? It is a matter of organisational integrity. The second analyst, Aniljit Singh, brings out yet another dimension; that Shukla clearly lacked the skill in picking up early warning signals. Singh also points out that Shukla was incorrect in not approaching HR or the managing director.

A Tale Of Great Expectations

It is often said that we tend to think of youth and the active early years of career as the years of commitment. As we get a little older, we earn the right to think about ourselves. This is a deadly prescription! Organisational members of every age need commitment beyond the self, and the meaning that commitments

provide. Self-preoccupation is a prison. Commitments to larger purposes — making a young organisation grow with vitality, can get us out of prison.

Solstice (See 'A Tale Of Great Expectations') is a hotbed of strong, divergent perspectives, held by a group of bright, young professionals as well as older and experienced professionals. Many stereotypes and misgivings are keeping them apart from becoming a great place to work.

Bhardwaj is intrigued with this dichotomy. The 'smell of the place' is not helping people to integrate themselves as a well-knit team. Professional and personal rivalry, organisational constraints, transactional relationships and a lack of robust HR processes for team building, all lead to weakening the organisational climate. Changing the climate, the very fabric of an organisation, is critical to improving performance and promoting commitment. Focussing just upon the 'left brain' will never pay dividends to any business without the right attitudes, behaviours, passion, belief and spirit associated with 'right brain' creative thinking. Bringing together these two approaches is the challenge for Bhardwaj. Is he up to the job?

Analyst C.N. Kumar's insights are very helpful. The challenges Solstice is facing in its growth phase, would demand complete employee involvement while changing ways of working, sharing senior management perceptions of the current state of the organisation and where it is headed, creating opportunities where all employees can interact in work and non-work situations and developing team skills through restructuring the way projects are managed. Kumar also points out that one way of helping employees develop good consulting skills is to get the teams to share what they did differently in every project they handled. Smita Anand is of the view that the Solstice team must come together for a team building and visioning exercise and create a common, shared vision. She rightly points out that the "most difficult behaviours to change are those responsible for your past success".

Unclear accountability seems to be a widespread malaise among companies. The result is 'organisational schizophrenia'

To Conclude

What are the common threads running through this spectrum of organisations, people and issues which need to be addressed by the business leadership in collaboration with HR functionaries?

- Shared vision and values are important to an organisation for effective implementation of strategy.
- We should recognise that the analytical and intellectual rigour to achieve business goals should be supported by legitimisation of feelings and emotions — both individual and collective.
- Despite recent attempts to connect HR with the heart of the business, business leadership should own up to the alignment if they really believe in it. HR functionaries too should have the professional calibre to measure up to the rising expectations of their constituents.
- Highly talented people should really know where they belong. They should know the answers to these questions: 'What are my strengths?', 'How do I perform?' and, 'what are my values?'
- Very few people work by themselves and achieve results by themselves. Most people in organisations work with others and are effective with other people. Managing oneself requires taking responsibility for relationships.

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Measured Performance

At Welcase India, a manager was rated on the basis of what his bosses, peers and subordinates had to say about him. Could the same principle be applied to rate the CEO?

This case study was first published in BW, 22 January 1998

■ MEERA SETH

CHANDRAHAS Mitter stared at his reflection in the glasstop table. "What is your role in this organisation?" he asked himself. "Can you actually be an agent without taking your bosses in the US into confidence? Would you be shirking your responsibility if you choose not to place your observations before them?" Mitter had no answers.

Mitter was the director (human resources) at Welcase India, a large multinational that had entered India four years ago. He reported to Saurav Baruah, the country manager and to John Carey, the international head of human resources. Much had been written about Welcase and its leadership. The company had set a benchmark for others in team skills, change management, strategic planning and synergy. And yet, the past few months had been confusing and emotionally draining for Mitter, as he saw hidebound attitudes creeping out, diminishing the halo around Welcase.

Mitter's main worry was whether Welcase was really doing as well as was widely believed. Though the company's sales were robust and targets were being met, he felt that some critical issues were being ignored. Welcase was meeting its targets, but were the employees feeling that sense of excitement? Did they genuinely believe in the company's mission? Were they unsure about where their



career graph was headed?

Mitter recalled what management consultant Tom Peters had said in his path-breaking book *In Search Of Excellence*: The top 10 are great and the bottom 10 anyway need to go, but it is 80% of the people who really make the organisation's culture, who really make the organisation work in a systematic way in the long term. He wondered whether that was really happening in Welcase.

At Welcase, apparently, 80% of the employees did not feel driven, fulfilled and satisfied. This low morale had its roots in the company's performance appraisal system which had left most of the employees disillusioned.

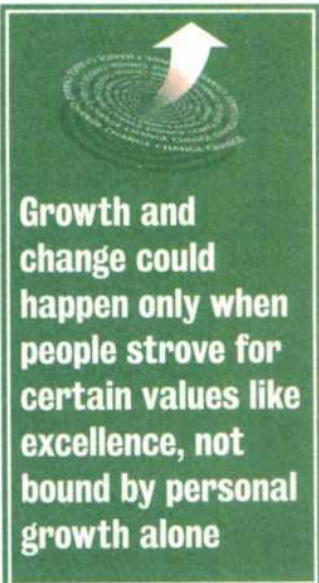
When Mitter had met the heads of six divisions in India as part of the orientation programme three years ago, they had cheerfully said: "We have goals and we simply have to go and achieve them."

Today, the same people were saying that Welcase was a great company but much had to be done in the area of performance management. "Performance is more than mere targets and volumes. What are we doing about institution building? Where is the contribution which helps people to develop their skills and capabilities and contribute to the organisation? None of that seems to be happening," they said in unison.

"But we have a very solid performance appraisal system in place countered Mitter. "There is a process for setting goals, rewarding performance and building skills."

"But there is no transparency in the system," said one business head. "Some people are considered stars, but what makes them stars? And, how do I become a star? Do we have a system that builds on my strengths and capabilities?"

It was well known in Welcase that however good an individual's performance, if his behaviour didn't match the company's values, he would not have a future in the company. But this 'performance versus values' trade-off, assiduously followed by all Welcase units worldwide, was couched in ambiguity. As the HR head in Jakarta had said: "We aren't clear on how to measure performance. We have managers who are high on performance and low on values, but because we are under pressure to perform to meet the number targets, we defer the verdict to the following year."



Growth and change could happen only when people strove for certain values like excellence, not bound by personal growth alone

Another unit head said: "The local leadership is under continuous pressure to prove the unit's worth. This leads to certain compromises in values. But we get conflicting reports from the business heads which lead us to send conflicting messages to the performers."

Like many firms with stated values, Welcase had evolved a behaviour charter for its employees. The belief was that growth and change could happen only when people had certain intrinsic 'values', the commitment to work well in teams and striving for performance excellence that was not bound by personal growth alone. An intrinsic part of the performance appraisal system, therefore, was a continuous evaluation of performance against targets/pre-set goals and an individual's apparent behaviour against the stated parameters. Feedback on these 'values' was sought from cross-section of the 'stakeholders' in an individual's performance, including his boss, peers and subordinates.

The feedback from the wider workgroup was actually intended to be used as an input

for self-development. But in India, the parent company had decided to allow business heads to rate a manager's performance based on this feedback. The rationale was that since the Indian unit was new and resource base was being built up, this information would help business heads to identify the potential of people to build a strong team.

MITTER found this difficult to accept. He felt that the system was essentially a tool for self-development which enables managers to get an insight into their interpersonal relationships. That a unit was new was not sufficient justification to use the score for performance appraisal which could be damaging, he thought. Besides, where were the organisational parameters against which an individual's attributes could be measured?

What troubled Mitter more was that there was a huge problem of how much to communicate to the managers. If managers knew that the feedback was going to affect their growth in the company, would the exercise degenerate into a 'you scratch my back, I scratch yours' exercise? "How can we build a more effective way of ensuring adherence to values meaningfully without some very subjective feedback impacting an individual's future? Also, shouldn't the business head already know the deficiencies and counsel the employee to improve?" wondered Mitter.

The business heads slotted managers in four broad categories: 'high potential' (can grow in a number of roles), 'has potential' (needs development in specific areas), 'has more development areas than key strengths' (needs to be watched) and 'low potential' (must exit).

The appraisals were meant to be discussed by the appraiser and the appraised. But the feedback Mitter got from various employees at different levels was that the 'discussion' was too cursory, that bosses did not spend enough time analysing the appraisals, discussing the weak points or recalling the success achieved during the period under review. "If my boss thinks I didn't have very high potential, I must be given a chance to explain why I think I have the potential. It is supposed to be an interactive session, but somehow it is not doing what it was intended to," complained many of the managers.

When Mitter pointed out how the appraisal system was being abused, the business heads were startled. "What do you mean!" said one vice-president. "This is a time tested system that works faultlessly elsewhere in the world."

It seemed to Mitter that, down the line, the expectations from HR were different from what the senior management perceived. The system was so engineered that no one got to know where he was being slotted unless he was in the 'grow' or 'develop' categories. For instance, Baljeet Singh was slotted in the 'watch' category last year. When the appraisal was over, Singh got no feedback. But over the next four weeks, he saw the subtle change in the way his papers moved, the responses he got and the attitude of the boss. He noticed that the monitoring was intensive and probing. "Have you visited the Hosur plant? No? Then you must. I will talk to the factory manager there.... it is one of the various things you must do this year," his boss said.

BUT Singh did not see any reason to visit the plant. He knew his region had not performed too well, but he hoped to discuss the reasons at the appraisal. However, that did not happen. His boss only shook his head and said gravely: "There will always be good reasons for poor performance, but you have to accept that you have not performed. We are here to sell, deliver, attain targets, not give excuses for not meeting the targets. These are demanding times and don't seek protection."

Matters came to head when Vandan Palia, vice-president (quality control) at Kersha Components, a Bangalore-based electronic goods manufacturer acquired by Welcase, decided to resign. Welcase had initially hired Palia as its market coordinator for a new branch in Hyderabad. The south Indian market was highly competitive and despite its best efforts, the Welcase team could not make a impact there. Subsequently, the company decided to close down the Hyderabad branch. But Palia had been put in the 'grow' category by a recent appraisal and was already scheduled to leave for a six months training programme at the company's plant in the US. So, while the others were asked to leave, Palia headed for the US.

Palia's boss, however, held him responsible for the failure and consequent closure of the Hyderabad branch. So, in the next appraisal, he noted that Palia was not a good team player. Palia, meanwhile, had got excellent feedback during his training in the US. But when he returned, he was told: "Your team skills are lacking, so you are again put on probation for six months. Your performance will be reviewed after six months."

After six months of hectic activity in the US, Hyderabad came as a dampener to Palia. To make matters worse, the Kersha workers were an untrained team and Vidyut Parasher, its CEO, was not

too pleased at the prospect of keeping someone who had been rejected elsewhere. Even as he coped with the change, Parasher bluntly told him: "This is a make or break situation for you. If you don't show results, you are out."

Besides, Palia had to initiate quality improvement in a unit which had no quality ethos. It was a nightmare for Palia. Little wonder then that his efforts produced minimum results.

Parasher, of course, blamed Palia for the slow progress and said that he was incompetent. It all made Palia feel worthless. What agitated him greatly was the feeling that everyone was sitting in judgement on his performance.

That was when Palia met Mitter. "I really don't see much point in continuing like this," he said. "I feel worthless and I don't think I can contribute. Whatever I do or achieve, it will not be recognised because nobody is bothered. They just want me to introduce quality improvements at Kersha. But what support have they given me to perform?"

He recalled the promise made to him the previous year. "They told me they would review my performance in six months, but seven months have gone by and I have no feedback about where I stand. I don't think I am ever going to make it. I feel let down, I'm confused...."

Mitter tried to arrange a meeting between Parasher and Palia to sort out the matter. But Parasher had his lines ready: "I told you when he was moved here that he was on probation. He is not working out." Mitter could see that Welcase had a structured way of easing out people who did not fit its needs. "I think the time has come to ask Palia to leave," said Parasher, as if endorsing that fear.

"It's almost clear to me that my boss is deciding my fate," said Palia. "Parasher will not discuss my assessment report with me. If a performance system has to work, it must be a two-sided affair. Otherwise, it is judgemental and subjective. At least, it can't be termed an appraisal system."

Mitter feared that if Palia resigned, it could trigger off disaffection in the organisation. Tremors were already being felt, and although the other business heads were less vocal, they were themselves on shaky grounds because the country manager Baruah did not share his appraisal ratings with them. Ironically, the business head also used Baruah's method to appraise their own teams.

In a way, Palia's meeting with Mitter was a self-initiated exit interview because he had already found a new job. "I am going, but if you don't watch out, there will be a lot of heartburn. Though I don't know how many people have approached you and what you intend to do about it, I do know how a lot of the others feel," he cautioned Mitter.

Mitter could see the disillusionment with the appraisal system was growing within the company and decided to see Baruah about it. After all, Baruah had worked in four other countries before taking up the Indian assignment and had a good track record as a people manager and an able leader. However, Mitter doubted if a solution was at hand. For all his track record as an able manager, Baruah had not been able to replicate his skills in India.

Baruah had returned to India after 18 years. He had left the country with a certain view of India and its people. Today, 18 years later, he was seeing a totally different country. Baruah had said that, in as many words, when Mitter brought up Palia's case, "India is not what it used to be 18 years ago. The awe in which we had held

A system slotted people into a matrix without any feedback — negative or positive. A boss needed to tell an individual whether he was an apple or a lemon, and why



our seniors in the early 80s when I joined as a trainee is something I don't see now. We served at the feet of our bosses, accepted their every diktat. None of this 'I disagree with you' rubbish.... In America, we don't mollycoddle our managers. Each one has to prove his worth or face the consequences," he said.

Mitter could see that Baruah was basically American at heart. That was to be expected; after all, he had spent the formative years of his career roughing it out at the hands of exacting American bosses.

"It's taking a while to settle down because there are so many issues and so many concerns," began Mitter. But Baruah pooh-poohed his anxiety and said: "You have only to tackle the issue. If someone comes and groans to you about this or that, just address the issue. You will be wasting your time trying to make everybody happy. We are not here to make people happy. I am here to deliver results to the stakeholders of my parent company. Yes, I am concerned about people....but periodically, we must be firm and tell them that this is what you need to be doing. That is the kind of HR manager we have in John Carey."

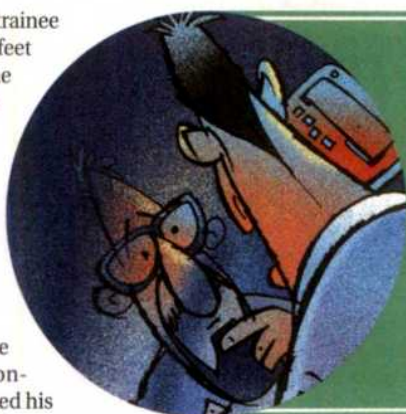
Mitter had spent three months in the US learning the ropes under Carey. Carey was a very insightful HR person and truly successful. But that was not because he insisted that people put their noses to the grindstone, but because he had perfected the art of listening to people. Carey had many views and ideas, but he was open to debate and discussion and even willing to change his views if the argument was convincing enough.

However, Mitter doubted if Carey's appraisal system was sound in the Indian context — at least the way it was being used in Welcase. The system slotted people into a matrix without any feedback. A boss needed to tell an individual whether he was an apple or a lemon and why, felt Mitter. By slotting people unilaterally to their exclusion, Carey had negated the role people played in building the organisation.

FOR example, the business heads did not reveal their subordinate's ratings. But nor did Baruah reveal his ratings of business heads. In other words, the malaise permeated through the fabric of the organisation. Mitter had done an audit of the teams, attitudes, motivation, mission, values and morale among the business heads and arrived at a conclusion that the basic problem was the low morale. His audit had revealed that what managers were saying about their bosses, the business heads, was identical to what the business heads were saying about Baruah. Mitter knew that the only way to build the organisation and reap a sustainable competitive human resource advantage was by revamping the performance appraisal system.

That was easier said than done. Mitter could see that Baruah came equipped to handle people who travelled on bullock carts, but was alarmed when he saw them on a bullet train. So he now had to do an about-turn and change his mindset by accepting his managers as knowledgeable and intelligent men who were capable of making decisions on their career needs. He had to accept that his business heads were capable of deciding the growth needs at their resources. Each of them had more than 15 years' experience and were professionals in their own right. They did not need someone who would privately slot them as apples and lemons and also decide what development inputs they need.

That was exactly what the business heads were also saying. "I



The only way to build the organisation and reap a competitive human resource advantage was by revamping the performance appraisal system

must know what my rating is and what the feedback is that it is based on. And I must be given a chance to explain my position. I also want to express what I need in terms of inputs because I know my weak points."

But Baruah was unwilling to accept this view. As a result, the business heads were slowly becoming transactional in their operations. Their work was reduced to a checklist of things to be done.

When he talked to his bosses in the US, Mitter realised that there was a genuine commitment to human resource development. But they also gave a lot of autonomy to their individual country heads. This empowering of unit heads was meant to naturally flow down the line, felt Mitter. But in India, it appeared that there were lots of roadblocks in the empowering process.

When the annual unit review came up, Mitter received a call from Carey. "The unit seems to have bettered its targets. That is very good, but how are the people doing," he asked.

"The general feeling is that we are not an open organisation and people are showing signs of demoralisation," said Mitter. "So, what's the message?" asked Carey. Mitter paused. Then, bracing himself, he said: "Do we follow the same parameters to judge the performance of the leadership? How do we give feedback to Baruah on his management style? I understand he had a lot to cope with — the policy changes, the price hike, the new market, the resistance from certain quarters to the entry of multinationals. But he's not the only one to suffer thus. Other players in this industry have been similarly affected. But he had been unable to bring out the best in his team, which is ultimately responsible for the performance of the company in India."

Mitter feared that Welcase could lose good people, or grow a bunch of yesmen, or have people who would put the corporate values on the shelf and focus on getting closer to the country manager.

"He is a good guy," said Carey, "and he is highly regarded by our president. Look at what he built in four years. We picked the best man for India as it's an important emerging market. So, how do I tell a man who had produced the best for 22 years that his leadership skills are inadequate? But we are learning everyday, aren't we Mitter?" Carey laughed, adding, "just leave it to me, I will find a way."

Mitter's dilemma had just begun. On the one hand, he had done what he felt was best for the company by sharing his views on Baruah's leadership style. But, on the other, he felt uneasy about passing judgement on his boss. He had tried his utmost to change Baruah's attitude but had failed to make an impact. "I have supported him at every stage hoping that he would change with time. But, by then, the organisation would have also changed. Am I supposed to change him at the cost of the company?" Once again, Mitter had no answers.

ANALYSIS I: KIRAN KHALAP, AJIT VARMA & JONATHAN PINTO

Learning From Amphibians

Kiran Khalap (right) is CEO, Jonathan Pinto (left) is manager (human process) and Ajit Varma (seated) the champion of human process at Clarion Advertising



AT Clarion, the focus is on the management of the human process, not the human resource itself. This articulation has led to the defining of its organisational structure and people relationships. The CEO's vision for the organisation and for the human resource is to ensure that a conscious effort is being made to help all employees manage their internal universes, since it is now agreed that it's impossible to separate the self from the role: reconcile the conflict between the Indian ethos and that of the advertising industry. The company has strict parameters to measure its HR success till the year 2005. This is a tall order and, therefore, requires a strong champion who can even tell the emperor that he is naked. Ajit Varma, who heads this role, is attempting to achieve a balance between the hard business issues and the soft people issues. His role is to keep human relationships on top of everybody's agenda.

For Jonathan Pinto, the CEO is still the most important human process variable. He has the maximum impact on the organisational values and culture. Together, the three seek to articulate an inspiring yet realistic medium-term vision for the organisation. Their analysis of the issues facing Welcase is presented in the following discussion.

Khalap: A true leader needs to be an amphibian. He has to be capable of visiting, almost daily, an ethereal thing called 'vision', an imagined place and time in the future, and coming back to earth and to be present, as a manager of reality, to achieve the vision. Baruah obviously is not an amphibian. He falls short on understanding and managing reality. He seems to believe in a culture of 'demand and delivery' that will be delivered by men who are motivated to do so for unknown reasons.

Varma: Also, there appears to be a total absence of a dialogue. The culture is purely result-oriented, which could also lead to organisational dryness. Apart from the increasing attrition, it will inhibit creativity, team-building, trust and sharing of information or learning.

Pinto: But even before we analyse Baruah, do you think Mitter is over-reacting? After

all, is there a business problem? He seems to be saying two things, but without any factual back-up. One, that the productivity of 80% of the workforce could be significantly improved. Two, that unless the organisation quickly adopts a value-oriented approach, in the long term, rot would set in.

Khalap: I think he is reacting to the long term... and wisely so. Even monkeys can manage a show for half an hour.

Varma: Maybe the villain is its performance appraisal system. I see it as quite mixed up. On the one hand, it seems progressive with a 360° orientation. On the other, it seems to be obsessed with a score-card: 25 out of 50? Class D.

Pinto: I agree. I fail to understand the logic for tampering with the international model (of appraisal) on two counts: the inclusion of self-development format and the lack of feedback for the weaker performers. It seems confused between 'performance appraisal' and 'performance improvement'. If it is improvement it is seeking, two-way communication is of paramount importance, starting from the top.

Khalap: That again stems from the company's inability to handle disagreement with the leader. Why does Mitter have to depend on his boss, Carey, to communicate the problem?

Varma: I don't think he needs to. I think Mitter should realise that overcoming resistance to change is part of the human resource head's job description. If Baruah is indeed good at heart, Mitter should find a way to convince him.

Pinto: I'm not very sure. I empathise greatly with Mitter. His worst enemy is Baruah's 'I know it all' attitude. Unless Baruah sees clear, tangible data about the organisational deterioration he may not be open to change.

Khalap: Wait, wait, wait... as a creative person, I don't agree. My article of faith is that for every problem there is a solution. You may need others to operate that solution. There has to be some tool or technique which can re-configure Baruah's mindset.

Varma: I would create a case based on Baruah's pet subject. If he is balance-sheet oriented, I would quantify the cost of re-hiring senior professionals if they quit due

to culture issues. If he is an organisation development fan, I would conduct, preferably through an independent party, a 'c mate survey'.

Pinto: The other issue is one of cultural building. Baruah has plucked 15-year veterans from the Indian industry. How carefully were they recruited? We psychographics thought through and considered while hiring? Further, what steps, any, have already been taken to institutionalise a culture?

Varma: Being an MNC, I am sure Welcase has its values and mission statements hung on every wall, but I don't know if the management's behaviour is in line with them. It's managing by expediency. I'd love to see Mitter explained to Baruah that beautiful model about the present-day leader's role. **Khalap:** You are absolutely right, Varma. It is the CEO's business to explain the 'why' of a chosen culture. For instance, I would tell my colleagues why I have chosen a path of 'management by principles' rather than 'management by fear and shame' or 'management by negotiation' since I believe it delivers clarity in the long run, it empowers them more, it helps speedier decision making and consequently the happiness coefficient would be higher.

Varma: Another factor operating here is the cloning of the leader. I believe it is inevitable. It happens even if the organisation is reasonably large and geographically scattered or if the leader is a 'larger-than-life figure'. So, the managers are probably unconsciously mimicking Baruah and his slam-bam-deliver-or-be-damned method. **Pinto:** While I agree, I think I would be concerned if the diversity of thoughts and ideas is getting sabotaged.

Varma: Of course. But again, it boils down to the leader being concerned. It is the leader who must be aware that he is under scrutiny and all his actions will be replicated down the line. If he wants to encourage debate, he must himself be democratic.

Khalap: I think democracy is context specific. At a time for action, I would take the decisions unilaterally and explain myself or handle disagreements later. When there is a 'fire in the building', discussions could be counter-productive.

CASE STUDY ANALYSIS

Pinto: The other difficult area here appears to be transparency. While we've discussed the importance of two-way feedback, a deeper problem could be fuzziness in setting objectives and key performance indicators. This leads to confusion about whether results have been achieved or not. Also, the weightage given to softer issues seems to be at variance with what is prescribed in practice. This could reinforce the 'ends justify means' mentality.

Khalap: So, are you saying that we are in a tenuous way, reflecting the fundamental split? Western reductionist theory versus Eastern hostility approach? Western belief

in formulae versus Eastern trust in the unknown? I believe progressive Western organisations are now seeing the logic (that's a contradiction in terms) and applying the holistic principle... are they?

Pinto: Quite so. But, the organisation must be at a stage of evolution to handle such a drastic change, or it might create chaos. At this stage, I would prescribe a balanced approach, which may not lead to dramatic improvements but will also not go terribly wrong.

Varma: What about other mechanisms to ensure greater transparency?

Pinto: I would suggest Mitter play the inde-

pendent judge. The departmental heads should be able to convince him about their merit, increment and promotion recommendations and he should try to ensure impartiality and consistency.

Khalap: To summarise, there appears to be a problem at Welcase. But only in dialogue or communication, or the lack of it. Baruah seems to be taking a little time to adjust to his new environment. However, all avenues to affect change are not closed to Mitter. He has to find a way to help Baruah understand the problem with his approach. It could well be the turning point: for Welcase and for Mitter's career.

ANALYSIS II: ACHAL BHAGAT

A Dehiring Tool

Achal Bhagat is an organisational analyst trained at Oxford. He also has an established psychiatry and psychotherapy practice at the Indraprastha Apollo Hospital, Delhi

WHEN you try and find out the dissimilarities between apples and lemons, you automatically consider many attributes. You see size, colour and shape. But most importantly, you distinguish them on the basis of your experience of their taste. The important point, however, is that you are basing your decision on a memory of the taste of another apple and another lemon, not the ones you are considering at that point of time. When you assess people's performance, the same principle apply.

You have to consider more attributes than the ones that are most prominent. The same managerial attributes interact with the environment and may be useful in some situations, but not in others. If you see a fat manager whose spontaneous wit obstructs meetings, you have also to assess whether the same attributes helps him to be a wonderful customer services person.

You have to exclude your biases that arise from your past experiences with similar people and also your experiences of the same person in the past. The fat manager should not be an object to despise because your maths teacher was fat as well.

In performance appraisal, the feedback loop has to be circular for the process to achieve its goal of increasing motivation in the organisation. You have to listen to people about their performance, agree or disagree with their self-assessment, giving reasons for disagreements. Then you need to give them a chance to respond to your feedback. The feedback should be directly linked to a consequence. The obvious con-

sequences are setting goals for further growth, rewards for the past achievements and disincentives for unhelpful behaviour.

The Welcase management, including Mitter, was violating all three principles of performance appraisal. Let us see how.

Decisions on feedback scores were being made on one or two prominent dimensions. These prominent dimensions could be euphemistically called values. The disadvantage would be that, over the long run, the organisation would only have behavioural clones of Baruah's image of an American manager based in India. People fulfilling the requirements of this incomplete concept of a manager would be labelled in-

feedback from

him. He passed on the feedback to Carey, who promised to bring it up with Baruah. Thus, Mitter did not give Baruah a chance to respond to his appraisal. He might have benefited from the open communication that Mitter seemed to be espousing for the rest of the company.

The question "have you visited the Hosur plant?" a week after your appraisal is more likely to demotivate than rev you up to improve your knowledge of operational systems in the company. The same assessment done in a sensitive manner, whereby the appraised person feels that his side of the story was heard, could lead him to strive harder



TRISHUMAN SHARMA

Decisions on feedback scores were being made on one or two dimensions. People not fitting into these were labelled incompetent

competent. It would force people like Palia to look elsewhere. For example, Palia's emerging potential in the context of Welcase and many past feathers in his cap were overlooked because of such labelling. Performance appraisal, thus, became a dehiring tool. If such an impression stays, an appraisal system could destroy even the most-entrenched team.

The halo effect also worked in Baruah's appraisal by Mitter. Mitter assumed (perhaps, because of his past experience of Baruah) how Baruah would respond to the

and achieve. A good film director never gets his actors to mimic his acting. Instead, he just explains the scene to them, makes them experience what the character is feeling and then they get the Oscar for him. If you feel in control of your goals, you achieve them better. If however, the targets seem to be external, you do your damndest to be heard. This creates a lot of unnecessary 'noise' in a smooth-running organisation.

Criticism can be ignored, but active listening feedback allows the person to set reasonable goals for himself.

Promises To Keep

Kapil Bahl let go several career opportunities and stayed on at D'espirit after he was promised a posting of his choice by the company's top brass

This case study was first published in BW, 7 June 1998

■ MEERA SETH

KAPIL Bahl watched as the security officers at the D'espirit office inspected the contents of his cartons. It was Sunday and Bahl was in office to clear his room of his personal effects. As he turned to leave, he took a last look at his office of seven years. The photographs on the wall caught his attention. "I'll take that," he said, pointing towards one. It was a photo of the team at the Cheh Bigha factory of Pellmer. Bahl's eyes misted as he remembered his first posting at Pellmer.

"For 14 years I enjoyed the challenges at Pellmer. But I had lost the drive and needed to kickstart my life again. I needed to go out and see the other side of life, a life not as predictable as mine at Pellmer. At Pellmer, I moved up the hierarchy steadily, although not all the postings were to my liking. Whatever my personal misgivings about a posting, I could always say with confidence that the moves were fair. They were in the larger interest of the organisation no doubt, but they were also certainly weighed and evaluated in the light of my growth needs. Not once did I think of resigning from Pellmer. I came to Pellmer for training, and it was my middle-class ambition to stay with it till 60, just like my father had done at ITC."

Bahl tucked the photograph under his arm and left the D'espirit office for the last time. He decided to walk down the 14 floors of Regent Crest, wanting to savour the strength that the large building had given him during the past seven years. With every step he took, the seven years came back to him in a panoramic view.

"I joined D'espirit when it had just entered India and the per-



sonal care market was still evolving. Pernicious excise duties had dogged the industry for several years and even biggies like Hindustan Lever, Lakme and Pond's had been unable to extend their product portfolios significantly. But with liberalisation came a substantial drop in duties, making it possible to launch very specialised skincare products. D'espirit was a large international brand and its success was assured in India.

"I had left Pellmer when I was the vice-president (finance), running a Rs 2,000-crore department, where everything worked like clockwork. It was the second most powerful job at Pellmer. To leave that and join D'espirit, where sales were Rs15 crore and losses Rs 40 crore, was a nerve-racking experience.

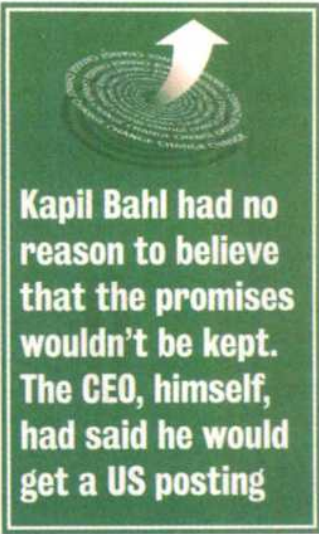
"It was a challenging assignment. Since money was in short supply, as

the senior vice-president (finance), I had to practically craft D'espirit's business strategy. For the first two years, D'espirit stumbled badly. I panicked when the bank balance dropped to Rs 1.63 lakh.

"What amazed me was that though the company was in dire straits for almost two years, no one had thought of a survival plan. Everyone was so caught up in the glory of the world-class brand-name that all efforts were aimed largely at gaining advertising visibility. Every time the balances fell to a trickle, a fax was sent to the parent company in the US and aid came.

"But 14 years at Pellmer had taught me to create life out of death. So, I could not stretch my hand out for a dole. I sat in my room for three days and drew up a strategy for reviving the sagging fortunes of the firm. I emerged on the fourth day, unshaven and scruffy, with a receipt for D'espirit's survival.

"When I presented it to the CEO, Jaideep Sardesai, and the managing committee, I could see that except for Sardesai, the others did not like my recipe. For, I wanted to tighten the screws on expenditure and advertising and asked for diversion of funds to market operations and product research. The only way out is a change in the way we think business," I said.



Kapil Bahl had no reason to believe that the promises wouldn't be kept. The CEO, himself, had said he would get a US posting

"Personal care was still a low-profile industry at that time. New brands and new propositions were entering the market, but it occurred to me that mere advertising was not going to alter consumer behaviour. It required strenuous market operations, channel strength and a lot of consumer research. Over the next one year, D'espirit went about building its own distribution channels, something the company had not even considered a strength in the first place. I spearheaded the entire operation — buying out our competitor's distributors, negotiating with the retailers, building up the channel from scratch. I took charge of D'espirit's destiny.

"Our efforts paid off. The D'espirit brand grew from strength to strength and got established in the market. Even after two major D'espirit rivals entered India, the company managed to do well. In every assessment and appraisal, I got a superlative rating and was

recognised as the man who changed the fortunes of D'espirit. That year I took over as the operations director.

"Through all this, Sardesai stood by me like a rock. When he was moved out of India to head the Asian region strategic planning cell, Duleep Raina took over as CEO. Raina and I hit it off very well from day one. He gave me the same support and egged me on to greater heights. That he was from ITC, a company where my father was a senior manager, gave us that family bonding.

"After the entry of our rivals, Cherie and Gentil, D'espirit's focus shifted to volumes and marketshares. There was no bottomline orientation as the US parent was generous with its dole. It never mattered to anyone where the funds went, or if it made profits. The refrain was: 'We are a start-up organisation: a brand takes time to strengthen its roots, profits cannot be made for seven years, we will first sow the brand's equity and grow the personal care market'.

"Every time a crisis loomed, Detroit bailed us out. But I said to Raina: 'Marketshare-driven businesses cannot be sustained. We have to have a balanced focus on all the lines — volumes, marketshare and economics.' My insistence on a return on expenditure ruffled a lot of feathers at D'espirit.

E VOLVING a consensus on this was tough. But different people cannot have different goals in the same organisation. For instance, marketing manager Arvinda Aiyer's goal was to be rated the best in advertising. But the head of marketing couldn't have a goal which was incongruent with that of the CEO's. All of them could have their respective functional objectives but they had to converge towards a common goal.

"At D'espirit, although we were a mix of a varied set of people with different goals, we worked together as a team. All that changed when four of the senior managers were either shifted out of India or left the company. This was a team I had worked closely with for four years. With its disintegration, I felt lonely.

"When Ritesh Dua took over as head of human resources, there was a paradigm shift in the organisation's environment. Dua had direct links with the international head of human resources, Remick Rayfuss. It wasn't long before Dua came to be seen more as the parent company's man than India's team builder. He allowed intervention, and the head office loved it. In the process, the whole organisation culture that had been carefully crafted by Sardesai began to erode. From a participative, informal and open

environment, D'espirit became a closed bubble.

"Despite all this, the job was exciting. Our competitor, Gentil, was unable to carve a niche for itself, thanks to the aggressive promotional and retail strategy of D'espirit. We kept growing from strength to strength. Every percentage point gained was infectious — it spurred us further. In every market, we shot beyond expectations.

"In 1997, D'espirit lost its rank in the world market and slipped hopelessly to No. 4 position. In a bid to strengthen our position, the global CEO, Alex Leed, ordered a restructuring. His prescription was a new organisation structure that consolidated all the global businesses and restructured them according to markets. This was to be replicated in every country. India was divided into regions, with every regional head reporting to the CEO directly. Naturally, my position as operations director for India was rendered redundant.

"That brought up the issue of 'fitting' me somewhere else in the world order. I was considered high profile, relevant and necessary to retain in the business. But Raina intervened. There was no way he was willing to part with me. 'We are on a growth phase which will last another four years. The regions need to be trained and guided. I will not release Kapil Bahl for one year,' he asserted.

"The personal care industry was growing as never before. I went along with Raina, whose need I felt was greater. At that time, there were six other positions in the US and Europe for which I was being considered. There will be no dearth of opportunities for you, Kapil. Let them think it through rather than offer you some knee-jerk solution,' said Raina.

"Enos Fuaad, who was Sardesai's boss and our regional head in Indonesia, had a role for me in Sardesai's unit as the operating coordinator for central and south Asia. But once again, Raina pleaded and even sought Sardesai's intervention to retain me in India. I was very anxious. I was the only person who had become redundant after the restructuring. Where was I going to be fitted? I did not mind helping the new team take over, but after a year was over, what were the chances of finding the same challenging assignments in the international network? I took a week's leave to think it over, during which time Raina came over and made a promise: 'Help me out during this hour of need and I promise you I will get you a profit centre head responsibility anywhere.' 'Not anywhere, Duleep. Not in Africa,' I said. 'Okay, it will be in the US or Europe,' he replied.

"Around this time, Fuaad's boss, Andrew Fitz, who was the No.3 in the D'espirit hierarchy, came to India to inaugurate our first skincare laboratory. At the dinner hosted in his honour, he came up to me and hugged me. 'My star manager, India is a market where D'espirit's success is going to mean a lot to the ca-

reers of people like Fuaad and me. You have my personal assurance; I will transfer you to the US and give you a corporate responsibility. That's my word,' he said.

"I was extremely embarrassed. Fitz, my boss' boss' boss, v pleading with me and promising to take care of my future. 'I drew,' I said, 'I will do anything you want me to.' I felt charged & motivated. I knew Raina was behind all this. He was trying his b to reassure me. In Raina, I saw shadows of the Pellmer sincer Trusting had become a habit by now.

OVER the next four months, I was immersed in my redefin role. Training, counselling, teaching, coaching,.... I fl from one branch to another, evaluating needs and est; lishing training programmes, holding their hands and r; ning the business. In the midst of all this, I was invited alc with Raina for a world forum of top D'espirit CEOs to Detroit was indeed an honour. During the evening cocktails, the num; uno, Alex Leed, came up to me and raised a personal toast. 'To; best manager I have had the fortune to employ. You have a gr job waiting here for you. By June, we will finalise your positio but the final move will happen as agreed, in September,' he sa My heart sang in utter joy. Heaven was just seven months away

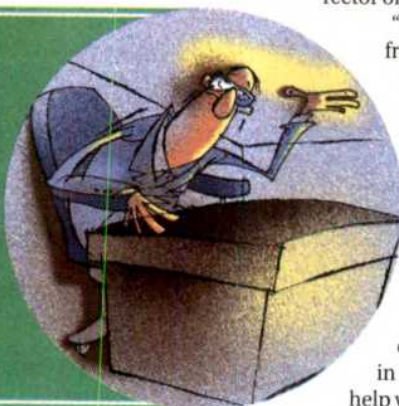
"By April, I was delirious with anticipation. The market v booming. We had just entered the coloured cosmetics segme and despite all the anxieties over the pricing, the products sw the market. April turned into May, and May into June. July can but I did not hear from the US. Nor did Raina have any sugg; tions. I began to get restless. I did not want to hang around overstay. Besides, the new teams were in place and for the last t months they were operating virtually independently. Fortunat for me, in mid-August, the world HR head, Remick Rayfuss, ca to India for four days to review the regional structure. As per p; otocol, I accompanied Remick to all the regions. Raina had told; earlier: "When Rayfuss comes here he is going to talk to you When he actually came, I did not want to raise the issue mysel knew Rayfuss would bring it up himself.

"The four days passed without so much as a whisper on the su ject that raged in my mind. Four days I travelled with him, sat tl ough presentations, dined with him alone, even visited the Taj M hal with him. But not a word escaped his mouth about my future

"When he left, I was furious. Raina had told me that Rayfu carried news for me although the man never even discussed the; sue. It was August, though Leed had indicated that my positio would be confirmed by June. I went up to Raina and said, 'Dulee don't take me for granted. I have been asking you since June. Ra fuss came here for four days and did not say a word. I am a c rector of this company, do you realise that?'

"Raina got worried. The next night I got a c; from Rayfuss. 'Kapil, I wanted to talk to you. B these visits can be so tedious. I will get back you soon,' was all he said, fuelling rath than calming my anger. Three weeks lat Raina called me. 'Kapil, they want you Kenya,' he said excitedly. I was agha 'Duleep, I had told you right at the sta that I will not go to Africa. I did not ask; this reorganisation. I did not ask for change, or for a promotion. You guys ma my job redundant. You asked me to stay; even when four solid opportunities were the in the US. I forfeited all that because I wanted help you. I was promised a position in the US or E

April turned into May and May into June. July came. But Bahl did not hear from the US office. He began to get restless. He did not want to hang around indefinitely or overstay



rope. What happened to that?' I asked. 'Why, even Fitz had agreed to that.'

Over the next few weeks, I decided to chase up the matter on my own. I had lost faith in the local office's ability to do anything. I called all those men who had thumped me on the back and lauded my role. The next week, Raina called me again. The international head of finance, Shayne Whitman, wanted me in mergers and acquisitions since D'espirt was on a major acquisition spree. When I called Whitman, he was gushing. 'I want you here in 15 days,' he said. I was alarmed. How could I wrap up everything so fast? But Whitman was persistent. 'We will talk to Raina and ensure he makes it happen,' he said.

"I was all charged up. From a desire to head a market in the US, then this offer of a posting in Africa, and now the opportunity of a commercial position in the Detroit headquarters. I had had to manage my expectations with the change in plans at the head office. My family went through hell. The children were forced to make a lot of short-term decisions because 'any minute we are leaving'. My wife had quit her job because we needed to prepare for departure. But when I used to come back home, I had no definite answer to give them.

"For 10 days there was no call from Whitman. That wait seemed interminable. He had said 15 days, and I had run around like crazy selling my two personal cars, tying up the telephone connections, writing to companies and banks about directing mail to my father, withdrawing the children from school and chasing the school for school-leaving certificates. We had even started packing. Unable to bear the suspense anymore, I called Whitman with a lot of trepidation. 'Kapil there is a problem. Fuaad is refusing to relieve you from India,' he said.

"I was angry. 'Shayne, there is no work for me in India. I have to move out. You say you need me, I want to come to the US. Where does Fuaad come into all this?' 'I understand how you feel,' Whitman said, 'but we have to carry the system with us. Why don't you talk to Enos Fuaad yourself?'

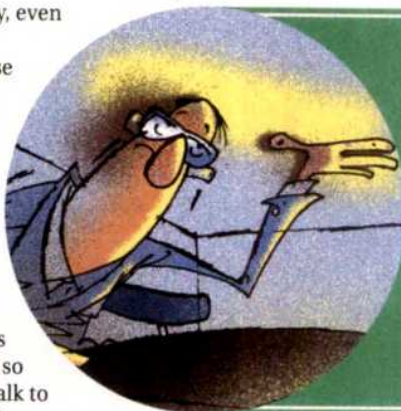
"That was the last straw. I went to my room, wrote out my resignation, then called my wife: 'I am resigning in the next 15 minutes. Re-admit the children back in school. I will manage my future career after I come home.' I felt greatly relieved as I put the receiver down.

"Next, I went to Raina. 'Here is my resignation. I have decided to take my life back into my hands. This organisation does not deserve my services,' I said. Raina protested as never before. 'Kapil, my dear chap, you are getting emotional.' Good Lord, is there anything wrong with that? I asked myself.

"I had waited for 16 months and nothing seemed to have changed. I had lost opportunity and time and my peace of mind. The No.3 in the organisation had assured me of the job I desired. Today, where were Fuaad, Fitz, Whitman, Rayfuss? What about Raina himself?

"As I had expected, they called me, one after another. 'No way Kapil, I am not accepting your resignation,' said Fitz. 'Hey, this won't do. You are buckling under pressure. Organisations work like this. I am working out something for you,' assured Fuaad.

"News got around that I was being considered to head a cosmetics joint venture between Delaware and a foreign major. Raina panicked. Three days later, he got back to me with a job in Russia as country head. I foolishly let go the Delaware offer. At every



The man who had worked hard to turn the company around was now completely disenchanted. Bahl could think of only one thing now — moving out

stage, I was recalibrating my expectations. I was asked to come by the weekend to see the place. My visa application was being processed when Fuaad called. 'Don't take that job Kapil. It is just a marketing head's job,' he said.

"I was amazed. Could I trust anyone? Why did they not tell me 18 months ago, when they had restructured that it was not possible to find me the job that I aspired for? Instead, they had all sung about my indispensability, and goaded me to serve their purpose. Today, when the regional branches in India were independent, that urgency, that desperation, was not there. It, therefore, did not matter what they offered me.

I WENT to Raina and told him that I would not accept the job in Russia if it was just a functional one. 'Especially since I recognise that it was I who created the blueprint for India, from the time of concept to negotiation and channel creation, and launched the entire system into success. All of you praised my efforts and I admit I got my rewards for all that. But if you tell me one thing, the regional head another, the worldwide director and human resources head yet another, and all of you are talking at cross purposes, what am I to make of all that? Can I trust any one of you?'

"It was a matter of trust. At Pellmer, too, there were many changes to a posting after it was announced, but they executed the change with grace. Ten people did not talk you into it and out of it. One man took the responsibility for a manager's career and he ensured that it was in sync with the individual's overall growth needs. Not once did they make me feel that I was a pawn in the game. They were consistent about the messages they sent, consistent about promises they made. At D'espirt I did not get that feeling. That's why I finally resigned last month.

"I wonder why good men like Raina, Fuaad and Fitz took part in this charade. Didn't they feel the need to be honest to a person who had delivered a string of successes for D'espirt? Yet, not one of them meant what he said all along. It is not right to raise the expectation of the manager. Expectation management is very critical. If you can't meet the demand, come clean with the bad news, rather than pretend you can deliver something when you know you can't.

"The whole affair sent shockwaves down the line: 'If this could happen to you, what about us?' they asked. In an organisation, there must be complete trust in a relationship. Anything short of that is suboptimal. Trust is not transactional, it cannot be. It must be relationship-based."

Bahl reached the parking lot. He was amazed he was not short of breath despite having climbed down 14 floors. Three months

ANALYSIS I: R.R. NAIR

How Not To Retain Talent

R.R. Nair is advisor (organisation development) at Hindustan Lever and heads Unilever's business group training for Central and West Asia. 'RR' has spent 25 years in human resources with the Unilever group, including secondments to London and Unilever Arabia.



THE case of Kapil Bahl offers excellent food for thought. Here is Bahl, a strategist and a highly achievement-oriented manager, who made a big difference to the fortunes of D'espirit. Despite initial reservations about accepting his recipe for the turnaround of the business, he succeeded in changing the way the business was run. While he assisted his CEO in controlling the destiny of the corporation, we cannot say the same for him.

What then went wrong in the company's handling of Bahl and his expectations? What is our assessment of Bahl? Did the company manage the organisational change well? What lessons can we learn to develop the careers of high-performing managers with potential?

Duleep Raina, Enos Fuaad, Andrew Fitz, Remick Rayfuss, Shayne Whitman and the brass of D'espirit, Alex Leed — all were involved in communicating with Bahl on his career moves. We need to make a distinction between the roles of those who are involved in career planning and those responsible for career counselling/communication. The direct involvement of too many senior people in communicating with Bahl their 'individual plans' undoubtedly led to confusion in everyone's minds, especially Bahl's. The top management's attitude appeared to be one of "let us first cross the bridge, then decide our next step". It is obvious that no cohesive plan was debated or conceived by the key members of the top team. Such a plan is essential, especially in the case of senior people, in the event of a major restructuring exercise.

It is therefore, crucial to clearly decide on the key people who will participate in the career planning and/or succession-planning decisions as well as those who will implement the decisions. In the absence of organisational clarity, the best intentions of individual people do not amount to anything. We now know how Bahl feels about the whole episode — he is both confused and thoroughly disillusioned.

Equally, a planned attempt should have been made to align the long-term interests of the individual with those of the organisation.

It makes sense to use someone with experience and high competence to assist in transition management. However, it is legitimate for this individual to expect a clear direction about his new assignment in order to ensure his full commitment and motivation. Raina was selfish; he was not concerned whether the career opportunity would exist or not at the end of the transition period. This is unfair and unreasonable. Perhaps Raina was not able to control parallel power centres. The short-term interests of the company should not prejudice the long-term interests of an individual, who has consistently delivered results.

Let us turn our attention to Bahl. At one level, Bahl comes across as a 'babe in the woods'. Has he overrated/overestimated the words of praise of 'all those who thumped him on the back'? He did not envisage a situation where his head would be on the block following the restructuring. A person at his level should have anticipated such eventualities and had some fallback options. Considering the contemporary environment and the pace at which organisational changes are taking place elsewhere, one must have the sensitivity and capacity to manage one's aspirations. Bahl, on the other hand, appears to be internally focused and put his entire trust on the organisation and its key people. At another level, Bahl's handling of his personal affairs is at odds with his professional maturity. At the end of seven years, Bahl ended up with a lot of post mortems. Several opportunities and positive suggestions regarding his future placement came his way. Indeed, he lacked the initiative to strike while the iron was hot. He may, therefore, have been taken for granted by the organisation. Why did he let confusion cloud his clarity? He 'foolishly let go the Delaware offer' when Raina got back to him with a job in Russia as country head. Then again, when Fuaad threw some doubt about the nature of the Russian offer, he decided against taking it up.

Given his position and experience, Bahl should have had a better appreciation of how the 'system' works at D'espirit — and what the nature and style of his communication should be.

In order to project his ideas effectively, perhaps he could have been more assertive. It is strange that during the four days spent travelling and dining with Rayfuss, he did not muster sufficient courage to speak up. There are several 'missed chances' in Bahl's saga with the company — most of them of his own making. A degree of assertiveness at the right time is essential. Failure to do so would mean loss of opportunities for free and frank discussions with key functionaries. The only decisiveness he shows is in his categorical dislike of Africa.

The case refers to a worldwide company's reorganisation resulting in a new organisation structure. Consequently, D'espirit was divided according to regions making every regional head report to the chief executive directly. Obviously, Bahl's position as operations director became redundant. In a major reorganisation exercise, it is imperative that a HR plan is developed with special reference to how the organisation plans to handle redundancies through redeployment, secondment or outplacement. D'espirit seems to have missed this crucial point totally. The human resources department should also take the lead in drawing up a career planning strategy for the company. It is essential that the plan should be clearly communicated to all concerned.

To conclude, the following key lessons emerge. There is a need to demarcate responsibility between those who are involved in career planning and those concerned with career counselling/communication. The individuals affected should be spoken to and counselled by a very select group of people. The whole process must reflect transparency, professionalism and dignity. The manager should communicate clearly his career needs and aspirations to the relevant people. If a good opportunity arises, a good boss should not deprive the individual in order to meet his own short-term requirements. If this had happened, perhaps Bahl would not be climbing down the 14 floors of Regent Crest on a Sunday.

ANALYSIS II: ASHOK SAPRA

Managing Employee Expectations

Ashok Sapra is the president of AT&T India. He is an alumnus of the Indian Institute of Technology-Delhi, and the Indian Institute of Management-Bangalore.



CURINDER OSAN

OUR business environment has changed significantly. Liberalisation and reforms have made it imperative for management and employees to gear up to change. Organisations need to respond with appropriate changes in strategy, product mix and even with reorganisation and redeployment. If these alterations are planned without considering their effect on people, changes that are meant to strengthen organisations actually weaken them.

The key issue in this case is that of 'managing expectations' of employees, on which hinges employee morale and faith, which are critical to organisational well-being.

After Bahl's position became redundant, he had several opportunities in the worldwide network, which he could have considered. Since his CEO wanted Bahl to stay back in India for another year, he promised to get him a profit centre head position in US or Europe. Even Andrew Fitz, No.3 in the D'espirit hierarchy, and Alex Leed, the global CEO, commended Bahl for his superior performance and promised him a job in the US by September. Leed even confirmed that the company would finalise Bahl's posting by June.

Naturally, when so many senior managers make promises, the employee has no reason for doubt. Expectations are bound to set in. The trust is shaken when promises are not followed through with appropriate action. Despite reminders during the last few months of his term, Bahl only got lip service from Raina and the worldwide human resources head. The management reacted in panic only when Bahl resigned. But the offers they made were not commensurate with their promises nor his aspirations. This and the inconsistent messages from senior management destroyed Bahl's trust and confidence in his bosses. Clearly, it's a case of failure in career planning and execution during the redeployment phase. No wonder this unfortunate episode sent shock waves down the

line in the entire organisation.

What The Company Could Have Done

Career changes and moves are stressful even in the best of times. Those resulting from downsizing are even more so because of the uncertainty involved and the uncomfortable context. Under such circumstances, any redeployment opportunity should not be denied (as Bahl's boss Duleep Raina did on several occasions for selfish reasons).

During redeployment transitions, top management support is essential from initiation till the completion of redeployment. In Bahl's case, the management could have supported him by giving any one of the available opportunities in US or Europe and then negotiated some overlapping period for job transition with the hiring manager. Alternatively, the man-

goals, he was also learning and adding value to himself. If he felt that his aspirations were not being met and the employer was not being fair, despite an honest and frank review, he shouldn't have felt shy of considering a job change.

Despite reminders from Bahl, the senior management was unable to come up with any reasonable offer even after the promised June deadline. Bahl became very frustrated and angry; his family also suffered from the uncertainty.

Bahl should have decided to quit early and looked for a job outside D'espirit much sooner. He shouldn't have allowed the situation to drag on to such a stage where he suffered tremendous psychological agony.

Other Issues And Learning

Organisations must provide a challenging

The management could have got Bahl to accept a foreign posting and then negotiated some overlapping period with the hiring manager

agement could have considered offering an extra bonus for the one year period and made it voluntary for Bahl to stay back while offering support in redeployment on a best-effort basis.

Even under normal circumstances, CEOs ought to be conscious of their responsibility to keep their communication transparent and, with the support of the human resources department, only set realistic and deliverable expectations. This is a necessary and fundamental condition without which productive energies are bound to dissipate.

What Bahl Ought To Have Done

In today's environment, the onus of career planning and growth is jointly shared by the two stakeholders — the employer and the employee. Bahl ought to have been equally alert and conscious that along with helping the company achieve its

environment, adequately reward good performers, pursue human resource practices such as performance appraisals, career planning and development, undertake salary and benefits benchmarking and strive to promote an open management culture. These will ensure that reasonable barriers are introduced when competition tries to entice away key employees. And D'espirit would be a good target for poaching.

One is left wondering why Raina could not render his local human resources more effective, nor support his star performer Bahl's career aspirations.

D'espirit, like most global MNCs, faces the challenge of trade-offs between adopting a uniform strategy and being a supportive organisation worldwide versus showing flexibility and implementing an appropriate strategy and structure based

on the uniqueness of some markets. D'espirit replicated the same structure in every market of the world, despite the fact that, in India, the company was doing extremely well unlike in the rest of the world.

Changes in organisations are unavoidable. To stay effective, they need to pay close attention to the following:

- Show concern for the dignity and self-respect of employees
- Lay greater emphasis on people orientation since organisations are becoming less security oriented.
- Strive for strong relationships between employees and the organisation which will allow for the establishment of realistic

expectations in career continuity or job changes.

- Ensure top management support during redeployment transitions, from inception to completion.
- Ensure top management commitment and support in implementing human resources practices.

ANALYSIS III: AQUIL BASRAI

Living In The Past

Aquil Basrai is the executive director of human resources (India & Saarc countries) of Motorola India. He was earlier with Hindustan Lever.



KAPIL BAHAL seems to have been caught in a time warp. It is all right for him to remember his past at Pellmer—even celebrate it—but he has to put it behind him. The past is important—but people cannot walk into the future looking over their shoulder.

At Pellmer, Bahl had felt protected, appreciated and recognised. He yearned for the same comfort at D'espirit. He also had expectations but felt disappointed when his expectations did not materialise. He did not know how to manage his own expectations.

D'espirit, on the other hand, entered the market like a knight on a mount—raring to go and all set to conquer. It had a strategy for everything—product, market, distribution, even competition. What it lacked, however, was a strategy for its people—a strategy to manage the expectations of its people.

During good times, managing expectations may not be considered a priority activity but it is often a hidden issue and surfaces when least expected. D'espirit obviously had not paid much attention to this in its eagerness to establish a strong base ahead of its competitors. It missed expressing what it expected from the various functions that were leading the business in India. The result was a fragmented effort. The marketing team, for example, was marching to one tune and conventional people like Bahl to quite another. It was, therefore, not surprising that those who wanted to march at a quicker pace resented the perceived roadblocks Bahl put in their path due to his very cautious approach. He meant well for D'espirit but, in turn, missed out embracing new ideas and the support that D'espirit had to offer. He had learnt in

his past that being self-sufficient was the only recipe for success—he could not, after that, reconcile to anything different and shunned support which was so readily available from Detroit. Bahl was still living in the past.

No one turned around to Bahl and articulated what D'espirit expected from him in the long run. They acknowledged what he was contributing currently. They applauded him and this further reinforced in his mind that he was doing exactly what the organisation was expecting him to do.

Bahl was convinced that it was the responsibility of D'espirit to take care of his career and growth. Career management is a

proactive human resources function? Did it have a management development plan? If it had, it certainly was not effective.

How else would one explain the promises being made to Bahl? Dua, the HR person, obviously had identified himself so strongly with the parent firm and its methods that he had missed out aligning what the US parent company had to offer with what was needed or workable in India.

When a new organisation with a strong track record enters a country, its custodians often get so enamoured of the processes and systems they are being exposed to so suddenly that they forget their own identity. The result is a poor match of an otherwise

Trusting the system to take care of career growth may be a noble idea but losing control in shaping the future is a step backward

reciprocal entitlement—where both the organisation and the manager have an equal role and responsibility. Trusting the system to take care of career growth may be a noble idea but losing control in shaping the future is a step backward. Bahl had opportunities, but he let them pass. He continued to believe that since he was doing all this in the interest of D'espirit, the organisation owed him a career break. After all, had that not happened in Pellmer? Had not the HR department in Pellmer carefully charted out every one of his moves? Correlating every future event to the past can be restrictive. One cannot stumble backwards into the future.

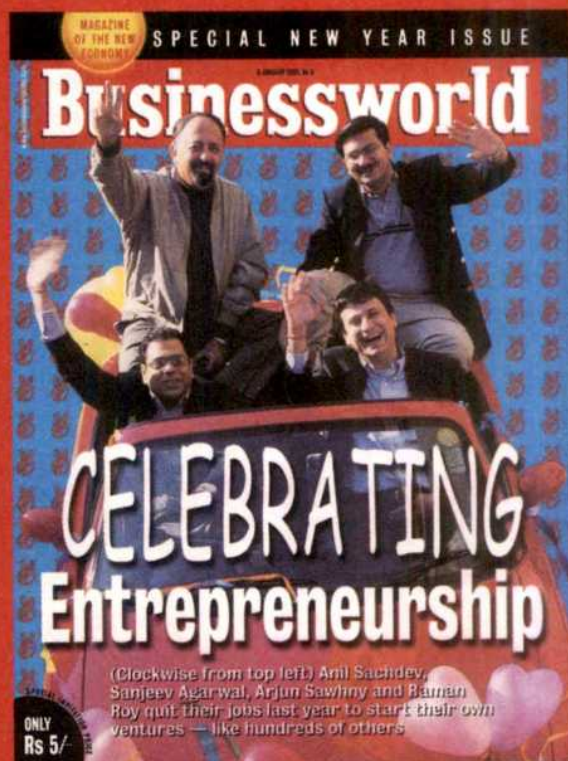
But in all this, did D'espirit at all have a

excellent process or concept. The essential contribution expected from people like Dua is a good blend of what is new and how it can be adapted effectively.

If one had to pin responsibility for D'espirit losing Bahl, it would be solely on the shoulders of its human resources team. It grossly failed to play the crucial role of employee advocacy and take up Bahl's case. In letting him down, it failed to carry out the dual role of representing not only the organisation's interest but, more importantly, the employee's interest as well.

When Bahl resigned, saying: "I have decided to take my life back into my hands," he'd finally realised that the great excitement of the future is that we can shape it. ■

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What's Stopping You?

Finding The Right Leader

The resignation of Kumon India's foods division head raised a lot of questions about the appropriate leadership style for organisation building

This case study was first published in BW, 22 October 1998

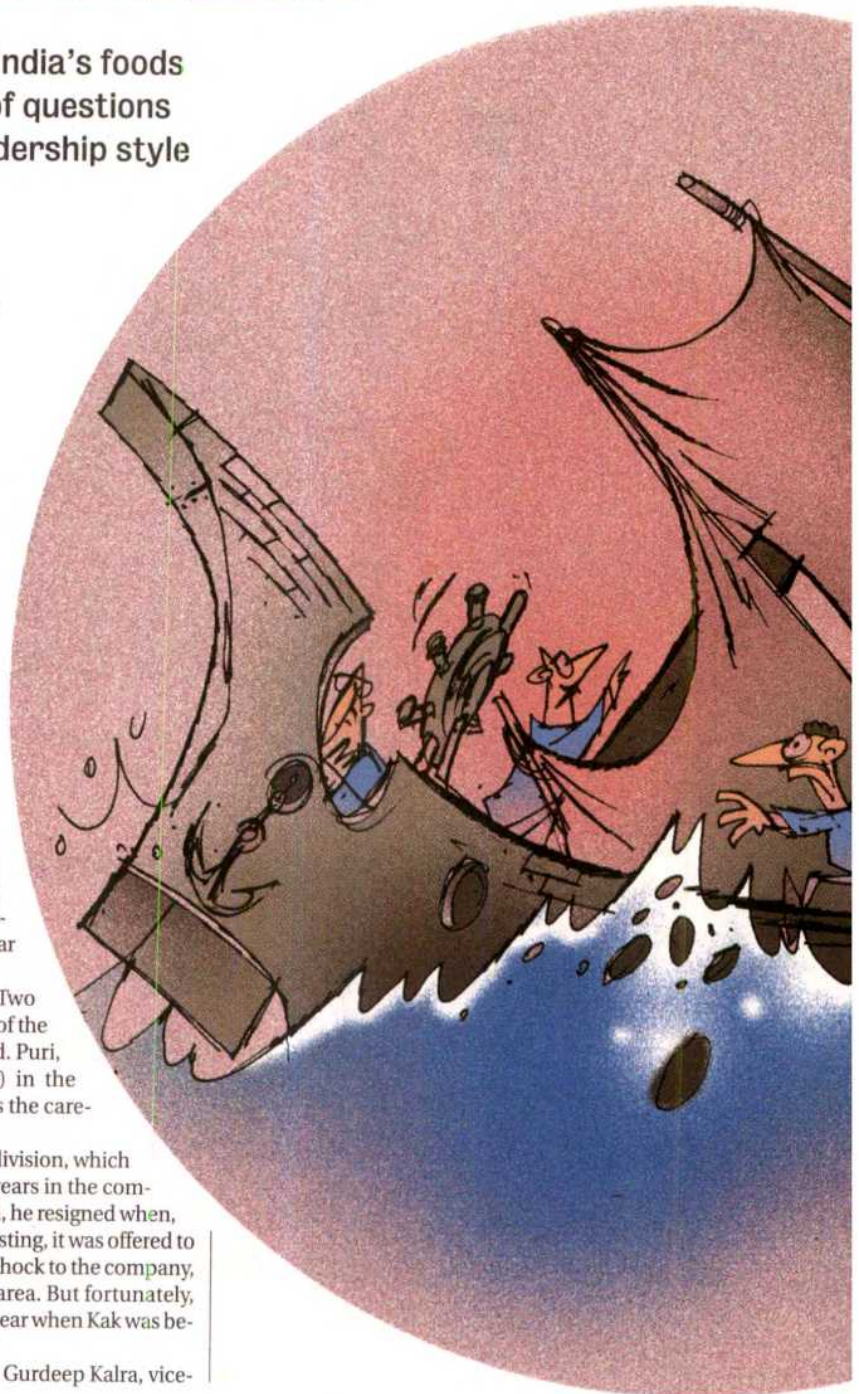
■ MEERA SETH

TRIDEV Puri put the final touches on the letter he was writing to the management committee. "I have examined the market scenario and it is clear to me that with the systems and infrastructure we have today, the growth target of 35% for the foods division in India is not achievable. By my vision is to build an organisation that can sustain that kind of growth year after year. To achieve this, you have to help me build the systems and infrastructure," he wrote. "But be warned, next year the growth rate will drop abysmally."

Puri had a mammoth task before him. Two months ago Yatin Kak, the director in charge of the foods division of Kumon India, had resigned. Puri, who was then vice-president (operations) in the washcare division, was asked to take over as the caretaker head of the foods division.

Kak had been the key driver of the foods division, which contributed 58% to Kumon's sales. After 18 years in the company, six of them as head of the foods division, he resigned when, after being in the running for a coveted US posting, it was offered to a colleague instead. His departure came as a shock to the company, which had identified foods as a key growth area. But fortunately, Kumon had begun to look at a successor last year when Kak was being considered for the US posting.

While Puri was one choice, the other was Gurdeep Kalra, vice-



president (technical) in charge of the foods and washcare divisions. But Kak's sudden resignation left the top management little time to make a considered and fair choice. So the mantle of temporarily managing the division fell on Puri.

Kak hadn't gone alone. Within a month of his departure, the sales manager and the finance manager left Kumon to join him in his new company. Puri was not surprised since Kak was idolised by most people, not just in his division but in the entire company. Naturally, there was growing unrest in the division. The feeling was that without Kak the foods division couldn't keep up its high performance. For Kak had created a team spirit that was unmatched elsewhere in the company.

When Puri met Vaikunth Pandit, vice-president in charge of human resources, for filling the vacancy left by the sales manager, Pandit said: "I would suggest you select your man from washcare. At least you will have one man on your side." Puri was surprised. Pandit continued: "The entire division was loyal to Kak.

There was once a great team spirit, which has now dissipated. So those who are left behind are in a state of confusion. In fact, I would say that those who left did so because they could not find an anchor in the company anymore, could not find the same drive anymore."

Pandit had his own views on Kak, which he did not share with Puri. For one, he wondered why Kak had not been able to instill a sense of loyalty to the organisation among his team-mates. The team appeared more loyal to Kak than to Kumon. In a way, he felt, Kak probably did not really demand excellence; they were all working for him, not for the organisation.

Last year Puri had met separate groups from the foods division in a team-building workshop. He had seen how inspired they all were by Kak's leadership. In fact, in some role-playing sessions, the message that came through strongly was: "We must do it for him... we can't let him down. He has so much faith in us..."

So the general aim was to please Kak, the boss. Now the manifestation of that feeling was more clearly evident.

Pandit had voiced these doubts to the CEO, Girish Diwaker, while discussing the US posting, where the question of Kak's leadership qualities came up. "He is very good, no doubt, and he sure does have a lot of charisma. But I don't think he built much of an institution. He has been here for 19 years, but I don't see any organisational identity in his division. His team derives its inspiration from him

and his goals, not from the organisation."

When Pandit's own nephew, who was a marketing manager in the foods division, planned to resign, Pandit spelt out his feelings clearly to him. "You are leaving because now you have no anchor, nothing to sustain your drive, your zeal. That's because you performed for Kak, not for the organisation. In the process, you have learnt not to excel functionally, but to work hard enough to meet the standards set by Kak. As a result, today you neither have your God nor his religion. Even if you join another place, you will once again be looking for a God, an anchor. But by now you should have evolved and developed the clarity to be devoted to your own drive."

The nephew, Rudresh Pandit, discussed his dilemma with a former colleague who had left three years ago to join Asian Paints. "I, for one, did not think Kak was organisation-driven," said the friend. "The reliance on a single star product frightened me. Around 65% of Kumon's sales was accounted for by one product, Revive. What has Kak done to change that? Today, can you really rely on one product? What accounts for the rest of the sales? Some esoteric health drink, some high-protein diet which Kak was personally crazy about. What will happen if Revive's equity erodes? What if a new competitor were to launch a new format, a new formulation, a new option? Aren't we the generation that moved from Bata to Action and Woodlands? From *paranthas* to Kellogg's? Has Kak built around Revive to ensure that it continues to thrive? More importantly, what has he done to build the quality of the sales force, to make it versatile, aggressive, capable of managing change? What has he added to the portfolio in his seven years? Protex Diet? Who's buying it? At the end of the day, what is the business you are in? If foods is your business what are you doing with a portfolio that is 70% health? Are Revive and Protex Diet all we can do in foods?"

RUDRESH did not resign. But some others did. When four more sales personnel and marketing personnel left, Puri began to look closely at his truncated team's morale. The matter acquired new urgency with the managing committee backing the global parent, Kumon International's, demand for a growth rate of 35% for the firm against last year's 23%. A depleting team did not make it easier to pursue aggressive growth targets.

Now it didn't matter where the replacements came from; Puri decided to leave that to Pandit and the HR department. "If you have surplus staff within the organisation, I will take them," he said. "But work fast, I have only five months left for the year to finish and a long way to go in reaching targets."

When Kumon International demanded the aggressive 35% growth rate, Puri met his marketing and sales team to test the waters. "The magic number for this year's growth target is 35%," he began. There was an audible gasp. "I know," he said. "It is breathtaking. Last year we did 23%. We are asking: can we jump by 12%? Can we grow by 35% this year? Internally, you have committed yourself to 26% in your annual plans and accepted that it would be raised to 28% in your first revisions."

"Puri, that 28% was wildly stretched," said the western region manager. "But look at last year. You committed yourself to 19% and did 23%, whereas going by the market forecasts and the external environment you were operating in, 26% or 27% should have been possible. After all, the competition grew by 26-27% over the previous year. Since we are the market leaders, we could have even done 28%. It appears to me that you were conservative in planning and that influenced your achievement in some way."

During the tea break, Rudresh cornered the western region manager and said: "I tend to agree with Puri. All of us need to redefine the word 'achievement'; it is not simply doing what is possible,



but raising the standards of achievement to reach goals that are a little beyond what is normally possible. The sad part is, we do not know how to do better than we think we can. "That's because we do not even know what we are capable of. Our achievement potential was pegged at what Kak thought we could do."

After tea when they sat down to crunch the numbers, Puri wrote out a set of calculations on the board. "Internally you have committed to 28%. I am saying, let us take it up to 31%," he urged, as he went on to analyse the gaps in their current estimates and showed how some of their assumptions were too easy.

The team could see the merit in his calculations. Yet they did a double check on their notepads. Puri continued: "You have understated your potential, don't you think? Your growth and success depend on how much Kumon grows and succeeds. Look how well our competitors have done. They have registered growth rates far above ours. You say we grew by 23% last year, but that was on a low base. Is that achievement? The market can grow by much more and we need to match that with our potential, our capability."

"We can work harder," said a manager.

"We are working as hard as we can. But working hard in itself never assures success," said Puri. "For that we need to home in on hard-hitting strategies. So start at zero base, discard old methods and patterns, let us come up with absolutely new ideas."

"And what if that fails too?" asked another manager.

"We are, therefore, going to plan together, set our specific goals together. Each of you is going to calculate your specific potential, even the stretch potential, and I am going to support you," replied Puri.

But, thereafter, events took an unexpected turn. Western India was hit by a transporter's strike and the movement of goods from the factories and depots ground to a halt. To make matters worse, Kumon faced problems in the north too. The trade went on a 'go-slow' to demand higher commissions on some food products, matching those offered by the competition. This hit Kumon's sales badly.

Puri, however, refused to yield to this demand. Market pressures had forced the competition to increase commissions by 0.5%. "This is strong-arm tactics," said Puri. "We have agreed to look at commissions in July when we examine all contracts. I have told the trade head this. What other assurance do they want? What is the meaning of a token raise?" he asked.

The management committee was concerned. Vipul Nag, one of the committee members, called Puri and said: "This is a crucial period for you, both personally and professionally. Your stance is costing you your credibility, it's a big risk."

But Puri was firm. "I appreciate your frankness. At this stage I cannot seek personal growth. As for the professional side, I have to look at long-term sustainability. Yes, the scenario is bad. After the

transporters' strike I cannot afford another stumbling block. But tell me, aren't we coming under pressure only because of the strike? If it wasn't for the strike, would we have given in to the trade's demand? I just feel that as a company we must have a stand on bullying by the trade," said Puri.

Nag was anxious, yet amazed by Puri's stand. He agreed that the dealers were taking advantage of the transporters' strike. But he was worried about the targets. A drop in the foods division's performance would affect overall targets and none of the other divisions had the potential to make up the deficit.

PURI had a fresh problem — inventories. With the transporters' strike well into the third week, January sales would be hit, but worse, production would also be affected. Vice-president (technical) Kalra now had to think of new strategies. There was no saying how long the strike would last, and he had to have a back-up plan. Three key raw materials for the Rajasthan and Madhya Pradesh plants of the foods division came from Gujarat and Maharashtra. The choice lay between rescheduling production at the Chennai factory and increasing its output of two key food products, or sourcing from alternative suppliers in the north to feed the factory in Madhya Pradesh.

The perfectionist that he was, Kalra was finicky about the details of production planning. Although there was a full-fledged planning team, he usually worked on most plans himself. It was this characteristic that enabled him to achieve high levels of quality and delivery. Kalra had been with Kumon 19 years and had worked in sales and HR before returning to technical eight years ago. He had earned his reputation as a high achiever during his sales stint. In fact, the growth in Revive's sales was widely attributed to his aggression in the mid-80s when he was handling foods sales in the western division. So good was his achievement that two years later he was promised the position of sales manager of the western region.

The first year was fine. But the following year found him battling unrest; the sales team felt neglected and demoralised. Kalra tended to work on his own, with little or no interaction with the sales team. That was how he returned to technical research, where he could work on his own. In time, he moved up to become vice-president (technical) in charge of two divisions.

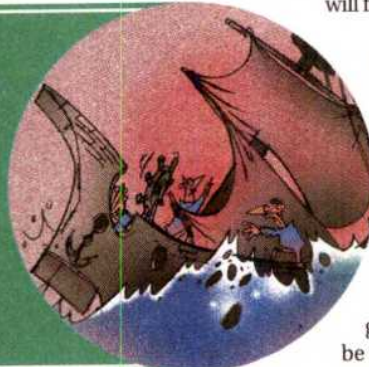
His team revered and respected his prowess and Kalra looked after it well. But anxious about performance, he worked harder than his team. Exacting and fastidious, Kalra usually set very high standards of performance, and naturally did most of the tasks himself. Not that he minded. As he had once said to a colleague: "Work gives me a high and working alone takes me to greater heights."

Puri had only one silver lining in the otherwise bleak horizon: Kalra. And Kalra himself rose to the occasion when he saw the mess Kumon was in. He said confidently: "Leave it to me, I will find you a solution."

Kalra evaluated the options before him. The foods division was critical, both to Kumon and to his own credibility. Apart from being the key contributor to revenue, it was the only division with a diverse product range, and sourced a fair amount of its raw material from Gujarat. The other division had plants closer to the source of its raw materials.

But there was little time to go through the elaborate quality check for new suppliers. Meanwhile, the Chennai factory manager griped. "Rescheduling our production lines will be very cumbersome. The year-end strains us any-

The general feeling was that without Yatin Kak, the foods division had a slim chance of keeping up its high performance. But Kak's team was loyal to him and not to the firm



way; we cannot handle change at this point," he said.

Kalra tried to persuade the Chennai factory manager, but the latter wouldn't relent. Even as he was battling this problem, Kalra suffered a serious attack of typhoid and had to be hospitalised. Puri's problems seemed never ending. With Kalra out of action, he called the purchase planning manager, Prasad, to evaluate the situation. "We don't have a final decision from Kalra; he was negotiating with Chennai," said the manager.

A shocked Puri asked: "Then who takes the decision?" The chief of planning wasn't too helpful. "I can't take a decision on Chennai and the new suppliers. Kalra handles all this," he said.

"Why hasn't he told anyone what he was doing?" asked Puri. "He does his best and we always got the best from him. We support his effort, he is a terrific boss," said Prasad. "Prasad, we have to decide — you and I. I will get the management committee to ratify whatever is needed," pleaded Puri. But Prasad was in a fix. He had never been called up to take decisions like this.

"Okay, then start at the beginning. Evaluate the two options for time and cost estimates, at least we will know which is more cost-effective," suggested Puri.

The pressure on Prasad increased. Now the management committee wanted to talk to him. Going up to Puri, he said: "Don't put my neck on the block. I can't advise on this."

Fortunately for Kumon, Kalra was discharged from hospital within eight days. The same day he spoke to his team and called a meeting at his residence. Kalra's action did not go unnoticed. Typhoid was not something that gets cured in eight days. Kalra was not yet totally fit—he had simply overcome the critical period. Yet here he was battling the problems facing the company from his sickbed. That night Kalra called Puri at home. "Sorry for the anxious moments you had to face. Give me a day and I will have the whole thing wrapped up." And he did just that. By the next evening Kalra had convinced the Chennai factory manager to reschedule his lines and revert with the revised plans. But before the following noon, he had already faxed a plan to Chennai with a copy to Puri.

NOW the mood at the foods division picked up, as did Puri's. Even better, the trade dispute in the northern region too was resolved. Makarand Mayya, the sales manager for the north, was particularly relieved. Puri had left it to him to appease the trade and reiterate Kumon's commitment to examining their issues in July. That had exasperated the management committee, particularly when Puri had said: "Mayya is the man on the spot. They are his dealers and he is in a better position to talk to them." To Mayya he had said: "If you need me, just give a call." Puri was busy coping with the production issue and could not leave Mumbai.

Mayya was elated when the trade reflected. He had been the sales manager for six years, but not once had he felt capable of achieving or doing anything more significant than what his routine demanded. Every move had been monitored by Kak, long-distance.

Puri, on the other hand, seemed different. And Mayya had a taste of that when Puri came to Delhi. On their market visit, a stockist came up to Puri and said: "I have some long outstanding 'write-offs' to discuss with you. If you could give me some time and sanction these...."

"You must discuss these with Mr. Mayya here, who is the regional sales head," said Puri politely. "I have," said the stockist, "but he has allowed only 15%".



The choice of a successor to Kak was between Tridev Puri and Gurdeep Kalra. Kalra was a high achiever, but worked alone. Puri was more of a team man

"Mr. Mayya is my trusted officer and very competent. If he has allowed 15%, then there is nothing more to discuss," said Puri.

Mayya, whose performance was improving by the day, now hoped Puri would resolve his housing problem. The rent for the house he wished to move into was 20% higher than what he was eligible for. But Puri declined. "Makarand, I know how much you deserve a house now. I could talk to the personnel department and wangle a deal, but they have a set of rules and it would be unfair if I tried and coerced them," said Puri.

Mayya's boss, the regional manager, was upset. "I think you are being unreasonable," he said candidly to Puri. "Look at the kind of work Mayya has put in. We need to focus on people's needs; a little accommodation now will go a long way in improving morale."

"I agree," said Puri. "But I can please Mayya only at the cost of weakening the role of personnel. What we need today is a strong organisation, one built on order and empowerment, and empowerment itself requires a respect for order."

The year ended reasonably well for the foods division. It did not meet the international dictat of 35%, but clocked a nice 31.3% growth. Yet, the management committee was not pleased. Put simply, it felt that Puri had failed. "If Kalra had not managed the production schedule the way he did, sales would have crashed. That man is remarkable!" said one member, Prabhu Chawla.

Nag was not sure he fully agreed. "Yes, if he hadn't recovered when he did, the foods division may have been worse off. But Kalra's team was incapable of handling the crisis in his absence. In fact, I would say that the technical department is redundant without him." The foods division, on the other hand, performed well despite the sudden departure of the charismatic Kak, felt Nag.

"What we need today is a leadership ethos that will benefit the organisation rather than take away from it. For instance, Kak was highly rated and respected by his team, but we saw how restricted his halo was. Once he left, there was chaos. Like Kak, Kalra too is highly achievement-driven, which is a good thing; but is it enough for building organisations and people?" asked Nag.

"That is what HR is there for," said Chawla.

Pandit intervened. "HR alone is not responsible for what happens to employees. It is also a function of the development of leadership at the divisional level. We are the ones who create the culture and we end up having many pockets of culture created by different team leaders. If you notice carefully, there are as many cultures of motivation and power operating as there are leaders in a company. So who do you align yourself with? Naturally, the managers crib that we are not walking the talk."

"What is the fate of an organisation, when people like Kak leave? These are issues we have to think about before we decide between Puri and Kalra," said Nag.

ANALYSIS I: K.R.S. MURTHY

A Leadership Balance Sheet

K.R.S. Murthy is former director of the Indian Institute of Management-Bangalore, and has specialised in business policy and public enterprise management.



THE case is about the selection of personnel at senior levels. The choice for the position of director of the foods division of Kumon India is between an organisation-oriented Puri and an individualistic Kalra. Both have had long stints at the company.

When Kak resigned as head of the foods division, the company appeared to have been unprepared and unsure about who his successor should be, despite being on the lookout for some time.

The company, or at least some of its senior officials, appear to know the strengths and weaknesses of each employee, including Kak. However, such knowledge remained unarticulated and unverified. And what is worse, no corrective measures were taken.

Perhaps to test whether it was a satisfactory choice and to show a desire for a change in the subculture of the foods division, the company asked Puri, then vice-president (operations) in the washcare division, to take temporary charge of the foods division.

Kak, The Charismatic Leader

Some unhappiness with Kak's style might have contributed to the desire for a change in the leadership style and subculture of the foods division. Although highly successful in creating team spirit, Kak had become a charismatic idol. The staff worked for him rather than for the division or the organisation. Although the company was aware of the subculture and the shortcomings of Kak, it took little action, as his division was performing better than the other divisions.

A gap was, therefore, developing in Kak's assessment of himself and that by the company. Is the performance appraisal and counselling system in Kumon too narrow — confined only to quantitative growth targets? The feeling was that Kak was flogging one product for growth, while neglecting product upgradation and extension and the building of a quality sales force and a varied product portfolio.

Kak's departure had led to an exodus of sorts from the senior levels. He had taken along with him a sales and a finance manager, leaving many in the division without an anchor.

Puri, The Organisation Man

Puri had set out to build processes for sustainable organisational growth, through greater participation of the lower levels within the division in setting and achieving goals, giving greater autonomy while stretching them. He did not sell the goal to the team as Kak would have done. He was cajoling his team members to set targets commensurate with market potential and empowering them to act. All this was too much of a departure from past practices.

Despite many handicaps, the division had achieved a growth rate of 31.3%. However, Puri had simply failed, according to some members of the managing committee, since he had been unable to achieve the 35% growth that Kumon International had wanted. Had the system let down the organisation man?

Kalra, The Achiever

Kalra, the perfectionist, was the other choice for heading the foods division. The vice-president (technical) for the foods and washcare divisions was a hands-on operations person who preferred to work on his own, even making up for shortfalls in the other staff and the organisation. However, his inspiring and leadership qualities were not considered high. Kalra had been unable to work through others. He had neglected and demoralised the sales team. He had moved up to become vice-president (technical) because of his hard work. The results in the foods division under Puri were partly attributed to Kalra, to his ability to find technical solutions.

The Choice

The dominant organisation concept at Kumon is of individuals with skills and problem solving capabilities. Each individual at the top is viewed as an agent who adapts to the goals that are set. There is a compartmentalisation that discourages cooperation outside agent jurisdictions and standard procedures for their interaction.

Cooperation across departments, especially at lower levels, may not happen automatically unless there is sufficient recognition from the top. The human resources chief appears to be anxious to inject a larger dose of the organisational or holistic perspective into the working of various di-

visions. However, he has not been able to translate his concern into a comprehensive strategy for change.

Kak created a team-based subculture in his division. The division moved solely on his individual reputation in the system. As a member of the top team, Kak had to play the game of short-term targets, while enhancing his own reputation for reliable delivery of promised targets. The high turnover at senior levels after his departure is partly an acknowledgement of his effectiveness as a mediator between two desirable but somewhat different subcultures.

Perhaps a price that Kumon had to pay for isolated individuals mediating across the two subcultures was the neglect of the long term, that requires greater teamwork coordination and cooperation at the top — upgrading of products, development of new products and broadening of the product portfolio.

The choice between Puri and Kalra presents this dilemma to the company. Is it too early to label Puri as a failure if Kumon is attempting, through him, a change in the subculture of the foods division. If the management committee feels that all that is needed is greater individual responsibility for the expected results that Puri has been able to demonstrate, and that no change in culture is warranted, they could reconsider Puri's choice or his strategy for the division.

Such a view, however, does not automatically tilt the choice in favour of Kalra. Kalra has not had a good record in building and inspiring a large sales team and Kumon is emphasising sales growth.

Kumon needs to take an organisational learning approach to the choice of a person to head the foods division. The company has to articulate the pattern of shared basic assumptions that should guide the strategies, performance appraisal system and growth of the foods division. These assumptions have to guide not only the selection of the appropriate person, but also the support he needs in terms of socialisation, appreciation system, status and reward. The management committee also needs to actively gain the support of Kumon International for such an approach.

ANALYSIS II: MATANGI GOWRISHANKER

Delegation Is The Key

Matangi Gowrishanker is an organisation development consultant with GE International.

LEADERSHIP is stated to be an imperative in the corporate world and it is what managers automatically assume they have as a part of their role. Yet few companies and even fewer CEOs consider the impact different styles have on the success of their respective organisations.

Puri's preoccupation with building an empowered organisation is not just a 'nice to do' thing — it is critical for sustainable competitive advantage and, in fact, for survival in the business jungle. To think that Kumon could have had a disastrous year because Kalra had typhoid and no one else was willing or felt capable of taking decisions! Or that Kumon relied heavily on one product because Kak did not stretch his people and was more concerned about building a group of yes men around him! These do not augur well for Kumon's success in the long run. They must wake up now and rally around Puri to give themselves a shot at real success and develop to their full potential.

At the end of the day, I am certain that the 31.3% growth rate that Kumon achieved — though it missed the 35% mark — can be attributed to several people. The Chennai factory manager, the sales managers, Kalra and a host of other people who chose to think outside the box, put their necks on the line and go for the goal they had set together, albeit with some amount of initial resistance.

As in life, behaviour in the corporate world almost always revolves around control and power with the ultimate focus on success. Success, unfortunately, is defined differently by different people, based on their style, their abilities and ultimately their desire to affect long-term change and derive sustainable advantage.

Take Kak, for instance. He was successful, his people rallied around him ("We must do this for him") and his long innings might have seemed successful. Yet, I think he failed as a leader on several scores. First, he did not encourage his people to really develop their full potential. Where were the ideas which each of these people could have been capable of, where was the focus on the long term — new products,

innovation, clarity of thought and purpose? It is natural that people followed Kak when he left, largely because they identified with the individual and not the organisation. Because people like Kak focus on personal relationships, teams such as his are prone to be wary of a newcomer and his style. A new entrant, on the other hand, proffers an opportunity for a new relationship that could develop capabilities and enhance growth and achievement. Managers like Kak and his team are successful only up to a point, working as they do on the pivot of personal relationships. Rarely though is there synergy of the type $1+1=5$. All too often, $1+1$ makes $\frac{1}{2}$, with compromise solutions and results.

Then there is Kalra. There's no denying that he is personally very successful and a significant asset to the company. He probably knows transaction and process history for all the technical areas and provides continuity, which is invaluable to the company. Again, though, there is no institu-

Pygmalion effect among Kumon's managers. The company will definitely not deliver its full potential and will probably go off the charts like many others that did not focus on building the organisation to survive the turbulent times through highly effective people.

Leadership is an onerous responsibility. It constantly calls for managers to make choices and balance their need for personal power and control and develop people around them to feel the success of genuine accomplishment. I have long been a supporter of the saying 'power shared is power gained' because that is how an institution is built. It is when people have a joint sense of ownership — when they can set goals together and share a vision that it is possible to accomplish these goals — that real time growth occurs for people and organisations. Too much is at stake in the corporate world when companies rely on managers who operate from paradigms of personal power or position

It is when people have a joint sense of ownership that real time growth takes place for people as well as organisations

tion-building. If Prasad was terrified to take a decision and, significantly, did not even know how to go about evaluating the pros and cons, Kalra's prolonged illness would have brought Kumon to its knees. There is value in understanding that empowerment comes not just from putting a hierarchy in place but from real delegation of authority, developing networks among people in the organisation which facilitate decision-making and problem resolution and ultimately making success belong to everyone and not just a chosen few. Contrast Prasad's sense of deep foreboding at the thought of meeting the management committee with Mayya's sense of belonging when Puri told the stockist that Mayya's word was the last on the matter. In the long term, Kalra's persistent inability to delegate and develop his people will perpetuate the

power. Because in both cases they believe that they have all the answers and, in so doing, they negate the skills, capabilities and potential of those around them, leaving them and the organisation starved of the possibilities of growth and success.

People often confuse institution-building with being missionary without any focus on personal success. That is where they must stop to think again. Even as we look around us, companies that have survived the ravages of time — Unilever, General Electric, Japanese corporations — have done so because they had and continue to have great leaders who have been successful in their individual capacity. They continue to develop managers and leaders who are coveted by competitors because they too know how to develop institutions and achieve success. ■

Cutting Without A Qualm

Bhrigu Raaj, vice-president (human resources) at GenTech India, found that his attitude to downsizing had changed over time. Here's his story

This case study was first published in BW, 7 March 1999

■ MEERA SETH

BHRIGU, we have to rightsize again," said my managing director last month. I was relieved, glad that we had finally decided. The last time we did so was seven years ago. Then, I was a neophyte like the mythological Abhimanyu — I stepped in with faith and got sucked in by the anger and anguish all around. This time I know my way around, in and out. What we are going to do is simply downsize. Words like smart-sizing and rightsizing are mere euphemisms; you have to call a spade a spade. That's what I have learnt in these seven years. When you are dealing with organisational survival, it is important to be clear headed.

Why downsize again, my divisional heads ask me again and again. It has not been easy, but the market is evolving at such a fast pace. So where is the scope for emotion? The degree of ambiguity is much higher now. Look at technology, it is ever changing. Customers' buying behaviour is constantly changing, the canvas of competition is expanding and becoming diverse, the consumer has more money to spend and a far greater choice. We have to deal with all these variables. Employees' aspirations, too, are changing; they are becoming self-driven.

"Bhrigu, you have changed so much," said Ritesh Pant, one of our divisional heads. "In 1992, you nearly wept over the downsizing. This time you are proposing it!"



"Then I was caught unawares by liberalisation. Today I am saying we need to plan, we need to forecast the trend of the market, the demanding attitude of customers, the aggression of the competition, the evolution of the marketplace. Technology is converging: voice, data, everything is integrating. Faxes will become outmoded, and with the Internet gaining ground, our entire way of life will change. Shouldn't I plan for that future?" I said.

Pant was shaken. "Where are we headed," he asked. Only seven years ago, we cut 30% of the staff. Its effect was resounding for a year after that. Now we are cutting another 30%!"

"But that is a part of organisational survival. If we don't plan today, there may not be a company to speak of in 2010," I said.

"Yeah, all that is beautiful, management rationalisation, our people. But what happened to feelings? To care? What will happen to our family..."

he asked. "Has moving at this breakneck speed become part of our psyche now? Is this the price we pay for growth, for keeping up with the Joneses? Five years ago, they said India is where the action is, the most happening place on the business map... We bought that and ran and ran faster ourselves. But do stop and take a look to see if what you are suggesting is in sync with our ethos. The individual is making tremendous changes to his attitudes, whether he works to live or lives to work. The organisation is also making tremendous demands on its skills and redefining what the corporate family is. But what do we have today? A certain ruthlessness. The dependence on the company as a family is gone! Bonding and trust have gone!"

"That's precisely what I am working on. Some have to go so that others survive. I am trying to create a business ethos which you can trust," I said. There is no doubt in my mind, no anguish. In fact, it is the best decision under the circumstances.

Seven years ago, we cut 30% of our staff. It would have been much more had I not dithered and fallen into the abyss of quit and remorse. So muddled was I that I had made a number of errors of judgement.

Let me explain. My organisation, GenTech India, is a large com-



Seven years ago, Bhriugu cut 30% of GenTech's staff. If he hadn't felt so guilty he would have cut more

pany and makes a host of office automation products — from personal computers (PCs) and printers and peripherals to copiers, fax machines and mail systems. Eight years ago, liberalisation had begun and the market was just opening up. The new entrants were not bothered at what cost they sold their products; it was part of an entry strategy for them. They offered value for money, had international brands that were aspirational and superior technology. In such a situation, there was a shadow over our brands. We had to work doubly hard on our brands to make a dent on the marketplace.

Our natural response was to take a cut in gross margins in order to achieve the same volumes. But that was only tactical; soon that tactic became the rule. So while we regained volumes, our earnings dropped. We could no longer bear the cost internally. We found ourselves selling a

complete suite of products just to generate revenues, completely ignoring the cost of selling them. In short, there was panic.

That's when we decided to look at our structure, at product lines, at channels, at everything. The focus was on cost effectiveness and less on value creation. "Are we doing what we should be doing more effectively than the others? If we are selling more than we did, why aren't we making more money?" was the topic of discussion at every meeting. What initially appeared like a study of methods ended up being a list of jobs that could be dispensed with.

WAS anguished. But our managing director, Pradeep Verma, had been categorical. "There are these new predators in the marketplace with deep pockets and sharp teeth. The only way we can keep our heads above water is to downsize." I was devastated; the bad word had been pronounced.

As the news got around, the staff came to me, rather 'at' me. Why are you doing this?" they had asked. When people are being sacked, it is the folly of the HR man, naturally. "Why do all this in one shot? Why didn't the management think of this earlier? Why didn't they plan for it? Why this knee-jerk reaction?"

Questions, questions. I had no ready answers. For I, too was in a state of shock.

I had practised some unchallengeable responses. "We are doing it so that 20 years down the line when we look back we feel happy that we were not blind to the realities of the marketplace. For that we have to take the right steps today," I had said.

"You are doing something you believe is right, because it is right for you!" they retorted.

"We have the greatest faith in our direction setters' unified vision, their ability to sense and develop a futuristic vision..." I attempted to reply.

"But you own that vision, I don't. It didn't arise in me, can't you see? I don't own that vision!" one manager said.

"It is not always necessary for all of us to start with owning that vision," I replied, "so long as we can begin to see the value of such a new vision and then come to own it. It is part of a value-creation exercise. We are trying to create better value for our employees and customers, not just our shareholders."

But 115 people had been 'relieved of their duties'. A pall of gloom, mine being the darkest, had descended on everyone. The decisions had been made for me: I was simply the executioner, the conduit, for bad news. It had passed, like all bad things pass, but it did leave behind an aura of distrust.

While the external air had calmed and it was 'back to business as usual', the rumblings had continued with renewed fervour in the boardroom. Every quarter, the strategy review meeting had thrown up fresh snags in the survival plan, even as the market changed. That was the period when I evolved, watching these men passionately dissecting the organisation, reaching its core and coming up with a fresh vision.

For two years after 1992, we tried different remedies, but the marketplace was unyielding. Many of our products failed, others barely survived.

Suddenly realisation hit us. Our approach had to be customer-driven, not volume-driven. That vision was in sharp contrast to the lack of focus in 1992. The downsizing of 1992 had been a knee-jerk reaction. It was a desperate bid for survival. We hadn't sought or evaluated whether we were creating value for the customer. It was about staying with the knitting and becoming thin and lean. The focus hadn't been defined, there was no clear vision. Now, we had a vision!

NOW we were going to bridge the gap between what the customer wanted and what we were offering, as opposed to 'this is what I have and this is what I must sell.' That meant understanding buying behaviour, and an ability to offer solutions. Very simply, the customer was going to dictate our strategy for the future.

Until 1991-92, customers had been divided into corporate accounts and non-corporate accounts. When the liberalisation fever hit us, the first level of differentiation had come, triggered off by changing buying behaviour. We had started looking at corporate accounts differently. For example: is this an account where I can establish a long-term relationship? It also led to the development of relationship-based customer development. A third customer category — government accounts — was developed. By definition, it did not fall in the corporate or non-corporate categories, because the buying behaviour was different.

Soon after, we had begun looking at the effort that was going into servicing each of them. The effort was the same for each category, but the profitability was different. Persons of the same calibre were looking at key accounts, government accounts as well as individual accounts. And, in all of them, the sales person had been focusing on volumes. We had been getting better returns from the key accounts than from individuals. That had led to the question: do we need to do all this differently?

Today, we are saying, why don't we look in at those key accounts that have the propensity to buy more and more from us? So we started looking at not just selling boxes of products to these ac-

counts, but also services, solutions — nurturing a relationship. At a subtler level, we were selling the corporate brandname as an icon for a complete communication solution, so that tomorrow if a key account wanted to buy Internet services, he chose us as the first choice, because we had already established a relationship with him.

It became apparent to me that if that was the way the business should be strategised, marketing and sales must comprise people who understood customer needs, could build relationships and engineer solutions — people who could be single-window solutions providers. Not only would that ensure customer loyalty, it would also increase marketshare, ensure repeat orders and adequate margins.

So, from an account base of 3,000, we homed in on 500 that could be developed as relationship accounts. We realigned our thinking and channelled our energies to serve our large accounts with which we needed to build solid relationships.

Simultaneously, the individual user and SOHO/TOHO (small office, home office, tiny office) segments were becoming dynamic. Customers in this segment were becoming very savvy, had gained vast knowledge of product capability, were investing in personal growth and preferred to look at a menu of buying options than a single brand. That led to the evolution of retailing and channel development at GenTech.

We had begun to see some light at the end of the tunnel. Now we looked at our structure again. In such a scenario, we did not need such a large sales administration team, because we were already picking and choosing our top 500 accounts that had the potential to grow. The others, typically the individual customer, preferred to deal with the trade, which was doing that job at a lower cost and more effectively.

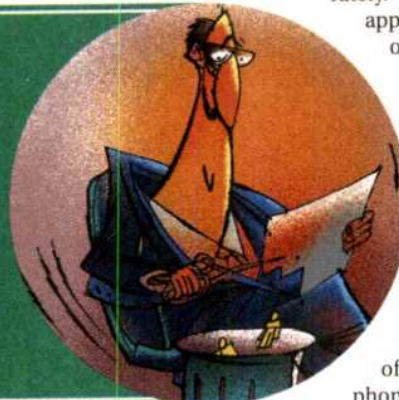
Meanwhile, these large customers were also becoming savvy. They were looking at the returns on their investments more keenly and now wanted a bigger bang for every buck. They were now looking at systems as a whole: integrated, networked and result-oriented. In short, they were now seeking total solutions to every new need instead of just a product.

And we, in turn, were beginning to see the dawn of relationship based marketing. Therefore, the skills that we needed were vastly different from what we had. The first major skill we needed was understanding the customer's business strategy and his communication needs. We now had to figure out where we fit in the entire back bone of a customer's needs, how we could offer a better solution. I immediately saw that 25% of the sales team was superfluous.

Really, it is the customer who defined how we should be structured. Earlier, the people from infotech, peripherals, document solutions and telephone systems would sell their products separately. But technology — data, voice and other applications — was converging. Now, if you are one of the providers, you need to understand where the technology is converging and what part of the solution you are going to provide. What became apparent to us was, if we were not going to be part of the solution, we may as well quit the race and be a vendor — a supplier to the chain but not a logistical manager of the solution.

Yet another change was taking place. More and more people were buying communication products. With prices going down, an individual with a disposable income of, say, Rs 20,000 could afford to buy PCs, cell phones or printers. There was a variety of brands i

Bhriugu was looking at a fundamental shift in the way the company was run. Things had changed so much that he wasn't so disturbed when he had to cut staff strength



the same product category, and the consumer was recasting his shopping list. Our entire business approach had to be radically redefined.

We now began to look at profitability. Seven years ago we focused on volumes at the cost of profits. Today, if we have to improve our bottomline, everything we do has to be profitable. We'll focus only on those products that are profitable.

The moment we started looking at consolidation, we began examining the tasks — what could be done in-house and what needed to be outsourced. We did some of that in 1992, but we needed to look at it more closely now. The pressure had become more intense and we realised that we can't be good at everything.

And this is exactly what I am trying to explain to Pant. The context has changed so much that we have to restructure. By early 1998 we started looking at our structure and processes even more keenly. In 1992, we were essentially changing our cost model. Then, it was about selling products and being salient in every product category. But today it is about selling solutions. GenTech's structure was very rigid and geographical. Today we are planning to structure ourselves around processes and people. We are being forced to look at large account management, channel development and channel differentiation. "We need to give them complete customer accountability," says our managing director.

"They must sell, serve and collect," he declares. "You are a single window with responsibility for your respective areas...." That's the process he is referring to — accountability spanning sales, service, collection and regional marketing all rolled into one. The managing director has coined a new term, 'relationship management', not even the staid account management.

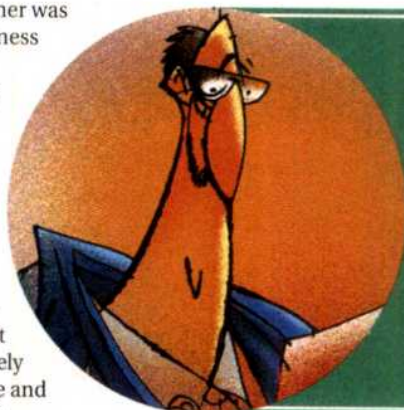
THE salesperson's role has also changed from just selling things to being a solutions provider. Activities are changing, too. In 1991, the markets were more organised around geographic definition. So, we had regional managers, area managers, territory heads and so on. Today the mantra is "one national strategy for all large accounts". So, key skills have to be centralised.

Earlier, we used to fragment customer service functionally. Today we are creating specialists for specific client needs — basically specialist solution developers. Then we were geographically driven. Today the key organisational drivers are getting centralised and the focus has shifted to value addition. Naturally, the people dimension changed.

The definition of employment and employability, a dilemma which started in 1992, is much clearer now. I know that that difference will lead me to the same trauma... but I feel confident that I'm doing the right thing. What I can see is that we are not changing the basic tenets of the organisation's values, but are looking at how we should implement them in a new paradigm, in the next context. Therefore, compensation plans will have to change, according to how much value people add.

In 1992, we compensated people on the basis of cost of living and performance. Today, I am not even considering compensating for inflation. I need to have differential rewarding systems based only on performance. I don't mind giving a 30% increase to a high performer and nothing to a non-performer.

When I asked my assistant manager (HR), Vishwa Patni, to design a new compensation plan, he was stunned. "Isn't that a bit too



The onus of self-development is now on the individual. No longer is the company solely responsible for employee development; individuals, too, have a role to play

ruthless?" he asked. "How can you, of all people, suggest such an idea? And what are you going to tell them? That we have changed the way we look at people?"

"We need to develop a pay plan that is in sync with our people's contribution to growth," I said. Our whole performance management system has to change. But face it, even the employees' paradigms have change. Today they are looking at companies where they can have short-term meaningful careers. "Please understand, while the market for products has changed, the market for people has also changed, both supply and demand. The paradigms have changed and we have to respond to that," I told Patni.

"We have to deliver and declare a policy which is very credible. People today are looking for greater challenges, for learning opportunities. In turn, we have to be ready for bigger challenges," I said.

The onus of self-development is now on the individual. No longer is the company solely responsible for employee development; the individual also has a role to play. Besides, the individual is today armed with so much information that he is very selective about what he should imbibe. As I see it, not only is business in transition, even employee aspirations are undergoing a change.

Meanwhile, we will continuously look at our value chain, value-creation possibilities and outsourcing... in line with expressed customer needs. That will form the pivot of our strategy for the future. It is a single-point focus now. In 1992, we were trying to do better than our competitor. Today we want to be the best for our customer.

What we are therefore looking at is change management, a fundamental shift in the way the company is being run. Things have changed so much that our feelings have also changed. Why, I don't feel the anxiety I felt in 1992 when I had to let some of our people go. All I am doing is building the supports to manage change effectively. I have to deal with it. I can't turn my back on it. We're desperate to smarten up.

We had to restructure again. We have to selectively reduce our head count. We will retain those people who are not only good performers but who are also attitudinally aligned to the new context and who would also be successful in the future.

"Where will these guys go?" asked Pant. In 1991, when we downsized, Pepsi, Coca-Cola, Reebok, Nike, Daewoo and Kellogg's had come in. Jobs were aplenty. Today the market has dried up. I can see pain writ large on Pant's face. "Why are you letting these people go?" he asked. "They are so good!" I said, I didn't need their skills anymore. My context has changed. I have made a strategic shift in my business philosophy.

"Bhrihu, you have changed!" Pant said conclusively. Have I changed as a person? Or has the environment in which we are all hopelessly sucked into, changed?

ANALYSIS I: R.R. NAIR

Be More Proactive

R.R. Nair is advisor (organisation development) at Hindustan Lever and heads Unilever's business group training for Central and West Asia. He has spent 25 years in human resources with the Unilever group including secondments to London and Unilever Arabia.



NAMAS BHOJANI

DEAR Bhrihu, I read with great interest your reflections on your experiences with GenTech India. As you rightly said, your company was caught unawares by the forces released by liberalisation. Rest assured, you are not the only one.... There are many who were adversely affected by the advent of unprecedented competition. Of course, your attitudes have changed with time; you have now become a realist. You recognise and appreciate the contemporary business scene better and your company is now beginning to look at the opportunity provided by deregulation and is endeavouring to change its structure and business processes to remain competitive.

It is tempting to evade the harsh realities, but escapism is a barren philosophy. The positive alternative, both for an individual and an organisation, is to struggle not only to survive but to drive through difficult times, by being proactive and stronger. While there are several lessons to be learnt, let me comment on a few important ones:

Change is possibly one of the simplest words in the dictionary, but its management is often an arduous process. There are no neat solutions. Each company has to evolve its own process of creating advantages and leveraging opportunities. From this perspective, GenTech's top management should have foreseen the future, proactively quantified a strategic case for change, and created a shared mindset for accepting change all around. Thus, corporate strategy and HR strategy should be planned and implemented in tandem. As you plan to create a shift in mindset from 'traditional accounts management' to 'relationship management', from selling a product to selling a solution, the possible concerns of the internal and external stakeholders should be addressed through candid communication. Further, this will require a re-look at the structure, and profile of your current and future human resources, and so on.

Successful change cannot happen without people's concerns. Honest and periodic

communication helps people accept change in a positive way.

Therefore, change per se will not come as a rude shock; and anxieties can be effectively dealt with. The CEO articulates the need for change — a fundamental shift in the way the company is being run, and weaves the new organisational reality into the fabric of the company. Once the new vision is crafted, HR should play a lead role in mobilising commitment. Commitment will become widespread when there is consistency, transparency and involvement. Considerable training initiatives will be required in the professional/functional skills (the 'what') competencies and general business skills (the 'How') and business awareness (the 'context'). If sufficient groundwork had been carried out on these lines, divisional heads like Ritesh Pant would have aligned themselves closely with the changes.

tive; redeploy people to meet the growth requirements in current or new fields of activities; identify the high-fliers who are relevant to your company's future and put in a ring of confidence around them. Recruit top talent continuously, rather than simply filling vacancies, so that you can provide a high-quality resource to manage more complex business situations. A company like yours, undergoing a turnaround, should start talent management as a corporate priority.

At this point, I would like to clarify an issue that is often misunderstood. Weeding out 'weak players' will not destroy morale. In fact, their low productivity drags down the performance of all those they work with. Teams go underdeveloped, and high performers get discouraged and leave the organisation. Different organisations deal with this situation in different ways. As the head of HR, you will have to ensure that

Change is possibly one of the simplest words in the dictionary, but its management is often an arduous process. There are no neat solutions

Change ultimately involves everyone in two ways. We have to implement the plans to bring about new ways of working. This, in turn, affects old ways of working. For example, you felt that with the focus on the top 500 accounts, you did not need a large sales administration team. This, in turn, meant 25% of the sales team would become surplus. What's more, this problem would have been further compounded by the fact that seven years ago the company had cut staff by 30%. Does this mean that you would leave behind a legacy of downsizing? Or, is there a way of initiating positive HR action so that the need for periodic, large-scale downsizing is reduced? Fortunately, there are several solutions to this question. For example, coach and build new skills and competencies to enable people, to remain competi-

management decisions are not only fair, but are also seen to be fair.

All these steps will help to create a strong performance culture. As you rightly observed, the definition of employment and employability will become clearer to people. The rationale for the proposed differentiating rewards, based on performance, will become even more clearer to Vishwas. With these new initiatives comes a new mindset, the requirement of an exciting and challenging workplace and the growing conviction that to progress one should take personal responsibilities for fighting obsolescence.

And lastly, there is no 'final diagnosis' in change management, because the business context will continue to be dynamic and we have to learn to live with "non-stop change"

With all good wishes for the future. ■

ANALYSIS II: K. GANESH

Be More Human

K. Ganesh, chief executive of Bharti-BT and director AT&T, is an alumnus of IIM-Calcutta. He is part of the visiting faculty at leading managing institutes and has conducted workshops on managing exponential growth and entrepreneurial challenges in today's world and motivating employees in hi-tech industries.



ARAVIND TEJA

IN 1992, GenTech India responded to competition in the only way it probably knew — by increasing volumes and reducing margins. It is evident that the management did not understand the situation clearly, way back in 1992. It approached the problem in much the same way as people in an overcrowded boat do, right in the middle of the ocean — throw some people out of the boat so that everyone does not perish.

Well, there is not much else one can do when caught in the middle of the ocean with a menacing storm brewing. In hindsight, one could have utilised one's resources to create a better boat while on shore. In the current scenario, GenTech needs to evolve a vision for business, a vision that is shared by its people. Pradeep and Bhriugu would need to monitor all actions that they propose so that they are in line with the vision.

GenTech needs to address the human issues with more caring. There is no doubt that harsh decisions need to be taken for the organisation to survive and grow. Still, the following steps would help the company retain some goodwill and increase the morale of those who stay on:

Do the entire exercise over a period of few months and not drastically. During this time provide opportunities to the employees to learn new skills that will help them fit into the new gameplan. After the training, select the best so that the employees feel that they have been given a chance.

Let employees take their time to look at new job opportunities outside the company. It will ease the pain of transition and help them find alternative employment. It is easier to get a job while still employed.

The company plans to outsource many of the tasks to reduce costs. The employees should be given the first opportunity to take up the work. The company can encourage and assist them by providing support in the form of training, capital, used machinery at subsidised rates or an extended credit facility so that they can set up small units to take up the outsourced work.

While GenTech focuses on select large

accounts, the next set of customers can be handled by channels consisting of employees. These employees may need assistance and counselling, but they can turn to be the best channel as they know the company, its products and services, better. Sales personnel can be encouraged to go on their own in small regional teams, become channel partners and promote GenTech's products.

Before opening the product sales to channels and then to retail trade, GenTech should see whether it can bargain with the larger prospective partners to employ some of its sales/service personnel who are likely to become redundant. This will be useful for the channel partner as well. For the employee this may be a better alternative to being unemployed. Such steps may help GenTech in easing the change process and mitigating the shock. The employees (especially the existing ones) will see the company has done everything possible and, de-

ment and distribution. Attend a course in sales and distribution management, proactively seek out opportunities in the area.

Learn: It is important to upgrade skills. For instance, people selling personal computers and commodity office automation products can learn software applications so that selling solutions becomes easier.

Be Flexible: Employees should be prepared to move into functions or locations they would have normally avoided. Typically, such developments take place over a period of time. By moving into new positions, one can reduce the chances of being retrenched during lay-offs. This is more true for people with skills that are not easily deployable.

Be Prepared For The Worst: In today's context, even being the 'best in class' does not guarantee lifetime employment. The market, the top management focus, competition, mergers and acquisitions — any of these make a person's function redundant.

In the current scenario, GenTech needs to evolve a vision for its business. A vision that is shared by all people in the organisation

spite downsizing, it cares about them.

Clearly, in the new era, employees also need a change. Let us see what they can do to weather the winds of change.

Broadbase Skills: An employee needs to ensure that he is not stuck with narrow skill sets. He needs to volunteer for more broader assignments and not bet on specialised expertise. For example, if an R&D engineer has an open attitude and, over the years, has picked up experience in other related (perhaps, strictly less technical) areas such as testing, assembly, customer support and trouble shooting, it might make it difficult for the firm to dispense with him.

Plan: Anticipate changes and take proactive learning measures. Invest in yourself. For instance, with large companies such as GenTech looking for fewer accounts to be handled directly, there is more opportunity in channel development, channel manage-

So, be prepared. Have an outline for a suitable plan of action to be implemented.

The case puts forward some interesting questions. If the purpose of the enterprise is to provide value to its shareholders, customers and employees, how does it create a sense of trust in the minds of its employees when rightsizing becomes a reality?

Have the changing times brought the reality to the Indian markets that employment is purely a function of the employability of its skills? In these times, an enterprise creates a niche for itself primarily because of its ability to manage its intangible assets — its people. How does a company get its employees to participate in business processes without making them afraid of losing their jobs?

These questions are what top managements need to consider while defining their vision for the future.

Man Or Machine?

An anguished corporate wife writes an impassioned letter to her husband's chairman on how the stresses and pressures of work are taking their toll

This case study was first published in BW, 7 April 1999

■ MEERA SETH

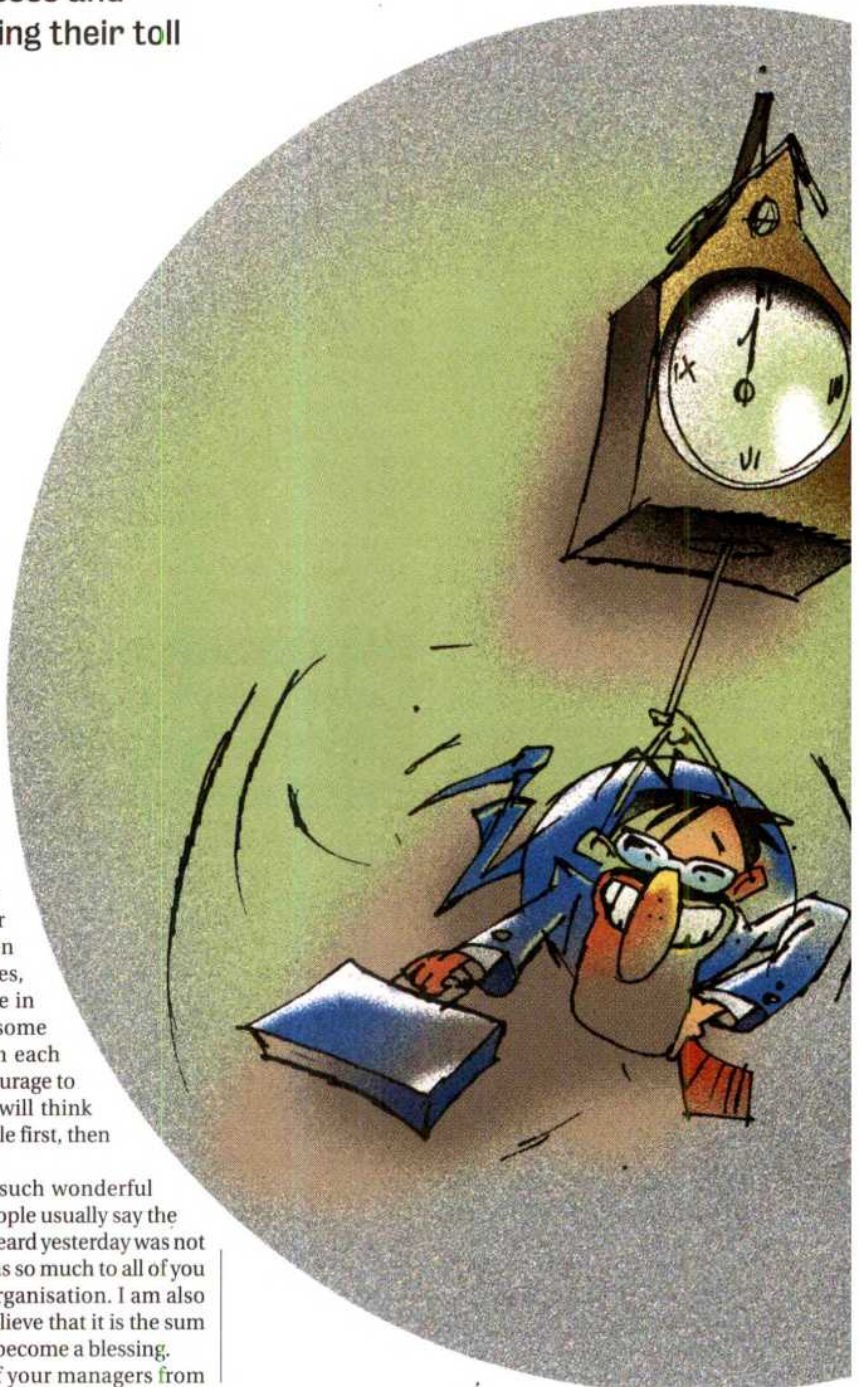
The Chairman
Teffer India
Mumbai.

Dear Mr Chibber,

Thank you very much for the wonderful farewell you gave us last evening. We have been given many farewells in the past, as we moved from one city to another, from one division to another. But this one will have a lasting impact, probably because we are leaving the country this time. I will certainly miss the lovely people at Teffer, people who will stay with you for many years. These people, like Shuklaji, who give every moment of their lives to further the cause of Teffer. I despair about them as I will be leaving them when India is going through some testing times, professionally. And it is with these people in mind that I want to leave with you some thoughts to ponder over. We have known each other for long now and that gives me the courage to voice some concerns, which I hope you will think about. As you often say, Teffer puts its people first, then its products and processes.

I was amazed how many people had such wonderful things to say about my husband. I know people usually say the right things at farewells, but I knew what I heard yesterday was not feigned. I am happy that my husband means so much to all of you and that he is such a critical part of the organisation. I am also happy to see how much he is loved. I do believe that it is the sum total of all the love one gets that goes on to become a blessing.

As a wife, I do get to meet a number of your managers from

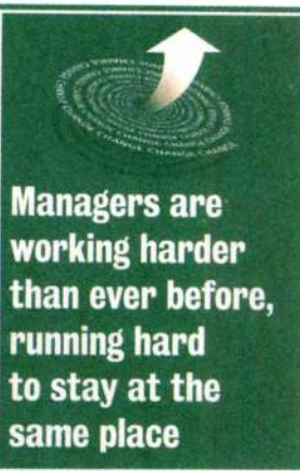


time to time, but they have been simple social encounters. Yesterday brought to the fore Shuklaji's professional profile very sharply. For me, he has been just a husband, not a senior vice-president. Maybe what Mr Bhalla said is true: "Wives need to be told how good their husbands are, because they won't believe it otherwise." He evoked a lot of laughter, but there was some truth in that statement. In all my 17 years with Shuklaji, not once have I or my children judged him on his performance, his upward mobility at Teffer or what he brings home. To a large extent, I think Shuklaji himself has contributed to that ethos, because he rarely discusses his company at home. I'd read about the brand wars, about high court judgements, about your mergers in the papers

but I learnt nothing from Shuklaji. Because that's how he is. He does not like to bring the workplace home.

My interaction with other managers has been merely at a social level and chats confined to my children's lives, my music and the counselling centre I run at home. But last evening when everybody said such wonderful things about Shuklaji, I realised how little of his life we got to share! Of the 15 waking hours in a day, Shuklaji spends 10 hours at office, one hour commuting. Of the remaining four hours which he spends at home, close to two hours are spent on the telephone, which leaves us just two hours (which these days is taken up by interviews to the press). Isn't that amazing? It must be worse in your case! No wonder then that people whom he worked with are affected by his attention and care, and more people benefit from his time.

This brings to mind what another wife once confided. Apparently her husband's secretary once told her in jest: "Please send him to work in a good mood, or he gets irritable the whole day with all of us." She was taken aback. "Whom do I call and tell, 'Please keep the stresses and pressures low at work or else he comes home and growls at all of us?'" she asked tearfully. I wonder if life was like this earlier. I hardly expect Shuklaji to help in the kitchen; he always looks tired and worn out. So much so that when the kids hear his car, they whisper, "Dad's back", not "Yay! Dad's back!" My re-



sponses have also altered with the changing times. Today when Shuklaji comes home, I don't ask him: "Did you have a nice day?" That sounds far-fetched. Instead, I ask him: "Was the merger signed?"

Mr Chibber, there is far too much stress building up at work, which infects an otherwise peaceful family life. Have you noticed that? Fortunately, Shuklaji is not a short-tempered person, when he is stressed, he remains silent. But my friend's husband, who heads a beverage company, has become very irritable. So much so that when his daughter hears his car in the driveway, the little girl rushes about putting her toys away, switching off the television, all the 'extra' lights and fans and waits on tiptoe behind the curtain, gauging her father's mood when he enters the house. Now isn't that sad? What is happening to us? Mr. Chibber, what

happened to the days when fathers and children rushed into each other's arms? Last month, and this one is very telling, a seven-year-old boy was brought to me by his mother. The boy had started using a number of abusive words, none of which he understands, but realises are very powerful. During later sessions with the boy, I learnt he wants to be a 'big manager' like his father. And he demonstrated that by picking up my telephone and yelling: "Get the **** crates moving if you want to save your ***." Clearly, the boy's father does most of his dynamic sales reviews over dinner. The point is, that man was never known to ever talk like that. "It's happened to him over the past few years," his wife says.

SHUKLAJI also says: "How tough these times are". When he has a chance, he tells the boys: "Your life ahead is going to be very tough. Nothing is going to come to you on a platter. It's for you to grab the opportunity and run, keep your nose to the grindstone and slog like a horse." I am frightened when I hear this. Should we scare our children with our own myopic view of life? I know he means well, when he says: "Kanta, I see the bloodshed every day; what you learnt yesterday is useless tomorrow. You have to be on your guard, awake, alert and watchful."

The last time I heard those kind of words was when my grandmother recounted to us her memories of Partition. For managers like Shuklaji, life has become one long guerrilla war. They are always watchful, cautious. My brother, who is 50, is going to Wharton for a two-month refresher course this month, just when his youngest son is taking the Class X board exams. "Can't it wait Dad?" he pleaded, but my brother, who was trying to lighten the moment, said: "Darling, if I wait, there will be no college for you to go to." Exaggerated, it may have been, but it struck me that our preoccupation with success is reaching diabolic proportions.

Success is nice, who doesn't want it? But what I fear is, will there be any bonding left based on love? Someone told my son yesterday: "Become a great man like your father." What if my son does not become as great as his father? Will we all still love him?

How time flies! Seventeen years! And it seems like yesterday when I got married to Shuklaji. He was then just confirmed after his three-year training and you were his new divisional head! Today you are the chairman and Shuklaji is being posted to the Asia-Pacific office as the group head for market operations. These are successful events in your lives and I am sure both of you worked very hard for it. Yesterday, in your farewell speech you said: "Behind every successful man there is a woman..." Please do not mis-

understand what I am about to say, but that sentence jars.

Because I can't see how I could have contributed to his success. He is on a whirlwind rush between one goal and the next. All I do is sit and watch the panoramic view, like surfing channels on television. The staccato changes of goals, the sudden highs and lows – I don't understand his world anymore. During the past four years, even though we are all together, we are not in reality together. I manage the house, the boys' education, I fix light bulbs, leaking faucets, fight with MTNL, negotiated the sale of our land in Delhi, drive my boys to Cooperage for their cricket coaching and maths tuitions, scour the city for size 10 shoes, wait up at night praying that the older one returns safely after a Bon Jovi concert, sit chin up at a meeting with my younger one's headmaster who tells me: "Mrs Shukla, your son spends Hindi class launching paper missiles stuck to chewing gum!" Shuklaji has been very busy, I could hardly meet him to discuss my problems.

BUT all that is fine, I suppose. Most mothers are doing all that and much more these days. But still, we are grass widows. I have barely any time to handle the variety of problems at home, where am I going to find the time to enable Shuklaji's success? I don't even know what he is chasing.

He has succeeded single handedly. Alone. Just as his sons are working at their success alone. Mr Chibber, I am not complaining, I am only worried, deeply worried about what is happening to men like Shuklaji. Fortunately, he is with Teffer, which is a caring organisation. You have invested tremendously in his growth and development. In the last seven years alone, Shuklaji has been to 15 management development programmes. He knows so much about his work and he is always at it. But I wonder if he knows enough about his sons.

Two months ago, my younger boy won the Bournvita Quiz Contest. It was on TV but Shuklaji was in Thailand. We taped it for him, but he hasn't had the chance to see it. It's been one thing after another. First it was the orientation for this new position for which he had to fly back to Bangkok. The day he came back, there was the annual review, so he went to the office straight from the airport to work on his presentation. The next morning he was leaving for Sri Lanka for a new launch conference. When he returned after four days, the directors from New Jersey were here and all of you went off to Goa for a week.

It's been like that for as long as I can remember. The corporate train never stops. But you know it wasn't like this even as recently as four years ago? We did spend some evenings together. We attended family weddings together, we even celebrated our wedding anniversary. During the past two years, we haven't been

together even on his birthday. I wonder about the quality of life that people like Shuklaji are leading. What do they get out of life? One rung up every year? Does that make up for missing out the compassion and presence of one's own family? In November last year, his sister's daughter was getting married, Shuklaji had sworn he would take the day off. But as luck would have it, the previous day the sale of 'Amigo' to Delaware went into court. Shuklaji returned after 36 hours, well after the *doli* had left!

Shuklaji's parents feel very bad about him. He works so hard to be able to give us a good life, they say. True. But what about him? He has severe acidity and is down to fruit for breakfast and bland food at other times. But how can a diet help, if your lifestyle is wrong to start with? Take December last year. The purchase of Megalo was being negotiated. For three weeks he came home in the middle of the night. Then some legal issue stalled the acquisition. And my older son explained the details to me. I was surprised. How could Teffer have problems, I thought. Then there was bad press and he was caught up with that. One thing or the other kept him high strung till February end when the deal fell through. Just as I thought, at last some peace, the deal was hot again. Again he went through the rush and tumble of courts, registrars and God knows what else. He came home with huge reams of paper, and worked on his laptop every night. Suddenly he was off to France to discuss the deal. He came back after a week only to enter the whirl of annual appraisals. And right in the midst of that came that horrible incident of the Foods Directorate's accusation on quality. For six weeks the battle went on from newspapers to court to damage control.

Doesn't that sound like some non-stop thriller? If just watching him was so exhausting, I wonder what he must feel when he is assailed by so many emotions and mood swings! We never see him; during the last three years, we have seen more of him in the press. Every other day there is some newspaper correspondent intruding on our dinner. The interviews are longer than the quotes. Last week one correspondent stayed on till 11.30 p.m. Now that is really too much! Later, I learnt he used the opportunity to also research some article he was doing on brand value. Shuklaji felt he had to help the lad. "After all Teffer has grown some terrific brands; the experience must be passed on," he said. Ever since the Megalo takeover, he has come to be known as a takeover artiste. A new tag. So there are now TV channels interviewing him, chat shows, breakfast shows... And if it is not these, he has seminars to attend, syndicates to facilitate, all kinds of for a where he is called to deliver lectures... all that means four days a week of media interaction.

Yesterday I asked Dhiren Bakshi, your HR director, whether all this was simply a function of Shuklaji's seniority. What he said gives food for thought. He said: "Naturally the media will approach the senior and the successful, but there is also a growing need among professionals to market themselves as products."

What is happening is that the individual has lost complete sense of his personal identity and related roles and become a corporate product. His time is completely devoted to preparing the 'product', shining it, polishing it and presenting it to the world and being preoccupied with how he comes across to his audience – be it the board, his team, trade bodies, or the general public.

In the process the professional ends up being more of an enigma than a person and is unwittingly continuously 'working' on the image. Like Ranjiv Mittal who had to drag himself away

The individual has lost complete sense of his personal identity and become a corporate product. His time is totally devoted to preparing the product



last night to attend some bureaucrat's daughter's wedding. Why? Because, as he said: "The chaps from Denmet, Tylo, Argie will all be there. Teffer will stand out if I don't go."

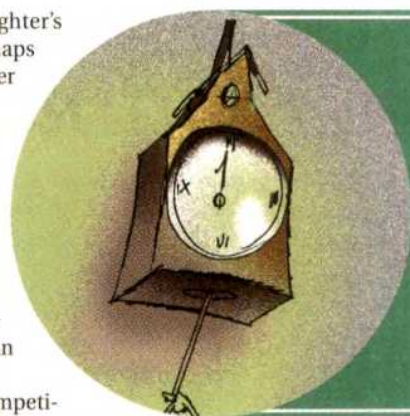
I could see Ranjiv's dilemma — he is so caught up in this whole image circuit. Competitive warfare has found new battlegrounds. Why, even we have been victims of this imagery. Our social life has become so hectic that I have to maintain a diary! We are constantly being invited for some do or the other. Some of these are difficult to refuse, because we have to maintain an image. I'm sure you know how stressful it is.

Can you feel the heightened pitch of competition? What I see and hear today is a different mosaic of feelings, far different from the simple tapestry of the past. And frankly, I don't think this has anything to do with Shuklaji's career progression, but the general environment. There seems to be a mad rush; everyone is rushing to get somewhere, destination unknown. Even the reasons are different. Around 10-15 years ago, people worked hard to become successful, to be seen as good, for increments and that odd promotion. Today, every year could take you up two rungs. Managers work harder to *remain* successful, salient and relevant. Even companies are working harder to grow bigger and bigger, there are new markets, new channels, new partners, more acquisitions, more mergers, new ventures.... The preoccupation is with 'getting there before the competition does'.

So today managers like Shuklaji are working to keep the company highly successful. The company's success is their success. Training programmes are being devised to make every trainee a better packaged product, smarter, cleverer.. but only professionally. Meanwhile, the individuals have lost their way; they climb mountains, some reach the top and realise they have climbed the wrong mountain, others scale newer heights, onward and upward, leaving behind their individuality. People, hereafter, are going to be harder hit when they retire, because their feeling of self-worth will drop from a higher plane.

TWO months ago, a lady who works with me was heading for a breakdown. On probing, I learnt the family was unable to cope with the imminent relocation of the father to another city. "I am not sure if we should live separately. I can't displace my kids at this stage in their schooling and my husband agrees," she wept. But did Mr Sharma agree in his heart? What he told me was very painful. "I know it is very hard on the kids to be displaced like this. I have thought about it and am willing to chase my career alone. Yes, I will miss them. But, at least, they will have continuity.... I wonder if I am doing the right thing, I will miss out on so much of their growth..."

I asked him: "Will you lose your job if you decline the transfer?" "No, I won't lose my job. But I will get stuck. My growth will be stunted. These days, youngsters coming out of campus are pitching for the managing director's post! It's like being on a treadmill that is running at 80 kmph. If you stop, you crash. If you try and match the pace, your heart is going to pack up. I don't know if I am emotionally ready for that sacrifice. I could get bitter. Then again, for how long will my firm agree to my terms? If everyone says no to a transfer, what will happen to the company we built? You can't blame the company — business has to grow. It either helps me grow or helps itself grow. The choice is clear. But is giving it all up a solution? Then what happens to my family? Okay, for three or four



Managers today are losing touch with themselves and their true nature. The preoccupation with the trappings of life have dulled their senses

years, I will coast along with a halo around my head as the man who could look opportunity in the eye and say: "Thanks, but, no thanks'. Then what happens to my future?" he asked.

I could see his dilemma. More than that, I saw his pain. The pain of a father who, in today's times, must be ready to be separated from his family. Shuklaji comes home late every night, but he comes home. He is there on call. But what about men who relocate alone? I can read Sharma's mind. He is probably saying: "It's not my company's fault. It's not even my family's fault that they find this transfer inconvenient. It's my fault that I want to run this race...." Sharma and his family know that what he earns is valuable. The creature comforts he has provided is certainly helping the family. And sustaining that comfort has now come to mean distancing the breadwinner from the beneficiaries. Careers must go on, bread and even jam must be earned, but the need to keep up the charade is killing people. Like a long-running soap opera that refuses to end, with new angles and twists in the plot to keep the serial on air. And that is the stress I am referring to. Of course, many families have made optimal arrangements. Like a friend who runs a successful cosmetics company lives alone while his family is in a different city. But isn't such an arrangement born out of a desire to appear agile and successful in a world that recognises only the runners and not the others?

What is happening is managers today are losing touch with themselves and their true nature. The preoccupation with the trappings of life have dulled their senses. That is not to say that companies must not grow or men must not seek growth. But I ask, doesn't all this hurt you? Would you be happy with a manager who rakes in the volumes but sits alone at night missing his family?

I am not talking of loneliness. I am talking of the missed paragraphs in life. The point is, many of them do not even realise it. They keep hoping things will change. Meanwhile, I ask you, is there something you can do to make it all bearable? If you can manoeuvre the cleverest of takeovers, surely you can take care of the human emotion through the organisation. You need to stay in touch with the manager's feelings, find solutions so that the human quality in a manager is not destroyed. I really don't know how or what you will do. But this is what I want to leave with you, to think about. Can we save our managers? If Teffer has been successful all these years, they say it was because the managers never lost their human quality. I fear that quality is being slowly eroded. In some distant period in future, they will unearth the ruins of our civilisation and conclude: "Man in the 21st Century had lost the ability to use his *amygdala*, the seat of human emotions...."

*With best wishes,
Mrs Kanta Shukla*

ANALYSIS I: ATUL MATHUR

Get Off The Treadmill

Atul Mathur has over 15 years experience in consultancy finance and advertising. For the past two years, he has been running a development and training organisation in Panchgani, Maharashtra, where adventure and the outdoors are employed to achieve corporate training goals such as team-building, leadership skills and personal development.



HEMANT MISHRA

THE Shukla dilemma can be approached from two distinct standpoints. On a mundane level, you can perhaps do a little tinkering. Is he delegating enough, is he prioritising enough, could he be managing his time better and so on. But let us assume that Shuklaji is a highly competent and mature professional who is aware of these possibilities and has pretty much exhausted them.

Shuklaji, like most of us, has many roles in his life — manager, husband, father and this is possibly the most vital one, an individual seeking some form of self-actualisation. Other than the manager's role, he doesn't seem to be hitting the button much. Which leaves us the considerably more difficult question that Mrs Shukla raises — what do we, as a society, do about managers who are 'losing touch with themselves and their true nature' simply due to pressures at work? Perhaps it is time to take a long view and ask some simple but uncomfortable questions like the Little Prince.

Is economic activity everything? Why is ceaseless growth such a holy cow? Why is it so important to introduce that 33rd flavour of toothpaste that is electric blue and contains some obscure, unpronounceable chemical? I am not putting forward a brief for a utopian Luddism but when spouses begin to write long letters to the chairmen, perhaps it is time for us to re-examine some things that we take for granted! The conventional argument runs thus — if the new toothpaste wasn't launched, someone else would do it, we would lose marketshare, sooner or later we'd be seen as an old fuddy-duddy toothpaste manufacturer and be avoided by the

'consumer' (a giant indigestion-proof caterpillar like being whose single-minded objective in life is to keep ingesting one product after another). So if the company has to exist, that toothpaste simply has to be launched. Sadly, this is true. So unless we, as consumers, do not get off this consumerist treadmill, the demon will demand a Shuklaji as sacrifice each day (the case does not mention coronary disease but that would be a classic walk-into-the sunset ending for the film).

Perhaps it's time for us to look at Schumacher's Buddhist economics, which aspires to achieve per capita happiness (goods and services upon desire) rather than per capita GDP. This is no mean task; it's certainly something that will take generations to accomplish. So what? If each of us could inspire our children to want less

hire one person, pay him wages of two, and make him do the work of three). Institute perhaps a 'shadow' system for all key managers — someone who constantly works alongside the manager and thereby is able to take on some load within 'earshot' of Shuklaji. It's also a successful plan.

I'm sorry if this sounds like a word from the sponsors, but an interesting way of involving spouses, instead of alienating them, could be to include them in the annual management development programme. This should deal exclusively with behavioural issues and, ideally, should be in the outdoors. It becomes great opportunity for both to reflect, take hold of their lives and to initiate action plans for personal growth. This is not meant to be a family picnic since the pro-

Perhaps it is time for us to look at Schumacher's Buddhist economics that aspires to achieve per capita happiness, not per capita GDP

and to be wary of 'needbreeding' advertising, some future Shuklajis can be saved.

While this long process is on, what do companies like Teffer do to help their managers in the here and now? Unfortunately, many actions are likely to affect bottomlines in the short term but this is the price of maintaining your most valuable assets. It's time we recognised this.

For Teffer what actions would this translate into? For one, get Shuklaji some help — this one-two-three rule really needs to be trashed (this rule dictates you

programme consciously identifies and engages problem areas in a serious, deliberate manner.

For Shuklaji's perspective, the subtle yet unfulfilled demands of even such an understanding family can build up guilt, which in itself can be a source of tension. Clearly, these demands need to be met. This would necessitate some sacrifice on the work front — meeting missed, a press interview ducked. It's a tough call but an essential one.

The easiest question to handle, perhaps, is the issue of whether Shuklaji really enjoys his work and feels that he is growing as an individual. This, after all, is man's *raison d'être*. If he does, happiness. If he doesn't, he is obviously getting nothing out of his daily grind. He needs to act quickly and move to another function closer to his dream. There's only one life. ■

Unless we, as consumers, do not get off the consumerist treadmill, the demon will demand a Shuklaji as sacrifice each day

ANALYSIS II: ZAHID GANGJEE

A Case Of Wrong Values

Zahid Gangjee heads a Kolkata-based human resources and organisational development consultancy firm. He headed the manpower development group at ITC and was the senior vice-president (human resources) at the Essar group.



GAUTAM SINHA

MRS Kanta Shukla's letter to Mr Chibber, chairman of Teffer India, is not only about the pressures of the contemporary business environment, but also about life choices and meaningful activities.

As I read the case study, I was reminded of an experience I had in the early 80s while teaching at a hotel in Srinagar. An elderly couple — both dignified-looking and impeccably dressed — sat at a table close to mine at breakfast, lunch and dinner. For the three days I was there, I never saw or heard them talking to one another.

I just had to know why two people — obviously married to each other for a long time — did not converse. On my last day at the hotel, I asked them. The old gentleman just looked at me with deep sadness in his eyes. His wife said: "My husband retired five years ago. He was a high-ranking government servant — very powerful and busy. During his 40 years of working life, I hardly saw him. We have a son and a daughter, both settled abroad. They visit us every two years. But neither they, nor I, know what to talk to him. I guess, he is a stranger to us." Her husband nodded.

So it seems that the situation in which Kanta finds herself is not only the result of today's intensely competitive world. Nor is it confined to the 'materialistic' world of commercial organisations. It is more an outcome of the values we hold and the behaviours we choose. Let me elaborate:

We know that our 'values' shape our attitudes, which predispose us towards choosing certain behaviours. What is lesser known is that if we continue to exhibit certain behaviours that are not liked over a period of time, we end up valuing them! Therefore, the 'trick' seems to be to hold on to what we believe in and not to let the world change our basic values. For most people this is very difficult, for their behaviours are governed more by what the 'outside world' wants, holds desirable or recognises. People who lead happy lives seem to have skills in three areas — career, partnering and parenting. What does Kanta see happening in all three areas?

Career: This seems to be the area that almost fills the life-space of Shuklaji and his colleagues (like Ranjiv Mittal). Kanta has calculated that Shuklaji spends two hours a day with the family and that too mainly by himself. This focus on one area has some unplanned consequences. With the passage of years, there is "this growing need among professionals to market themselves as products", says Dhiren Bakshi, Teffer's HR director. If one has 'objectified' one's self, the body doesn't matter. Shuklaji has 'severe acidity' and is confined to eating fruits, and bland food. Yet he will not change his lifestyle. Furthermore, by spending so much time in the 'battlefield' of industry, Shuklaji's world view is of warfare and he has a 'siege' mentality. Ironically, research is increasingly proving that successful top-level managers are those who have high emotional intelligence. Yet Shuklaji (and his ilk) is losing his "ability to use his amygdala,

upper middle-class homes. They want it all and they want it now. An article on sex in the 90s shows the relationship as a barter with defined rules and mandatory packaging — he must have a Maruti, muscles and lots of money, and so on. Relationships are about consuming and moving on. Is there a connection between what is happening with youth today and the parenting processes that are highlighted in Kanta's letter?

The Shuklas' two sons are growing up in a world where their main role model is exhorting them to 'grab the opportunity and run' and his own lifestyle gives the message that only material success matters, that love is conditional. Kanta wonders that if her son doesn't become a success like his father, "Will we all still love him?"

This focus on one aspect of life — the career — seems to have wreaked havoc on the other two aspects of partnering and parenting. Organisations are finally waking

The focus on only one aspect of life — career — seems to have wreaked havoc on the other two aspects of partnering and parenting

the sear of human emotions".

Partnering: Kanta and Shuklaji do seem to be living separate lives. Inadvertently, she has colluded in this separation by keeping him out of the kitchen ("he's too tired"), a place where they could have worked and talked together. Shuklaji, too, does not want to dump his load on Kanta, so he doesn't share his office burdens with her. She sees herself as a 'grass widow' — someone whose husband is alive but is not there. No relationship remains static. As individuals change, the relationship has to be worked on for people to remain connected. But Shuklaji has missed too many of the 'milestones' and 'paragraphs' of their life.

Parenting: The media has recently been highlighting some of the 'new' behaviour of the youth today. Serious crime — murder, dacoity, rape, etc., is being committed mainly by people under 30 from affluent or

up to the fact that they are hiring the 'whole man' — not only his head and hands, but his heart and stomach as well!

A recent article in the *Sloan Management Review* (Summer 1977) titled 'Unexpected Connections: Considering Employees Personal Lives Can Revitalize Your Business' reflects this trend. IBM in the US has an office with restaurants, hair dressing saloon, etc., and encourages family members to visit so that they can meet the working spouse during breaks. In India, Satyam Computers has done a similar thing with its technology park a few miles from Hyderabad.

The three main pillars of life — career, parenting and partnering — are not unconnected. Kanta's letter is not only meant for Mr Chibber but for all of us — male or female — who are trying to manage career and family today.

The Value Dilemma

Dinkar may have been sacked. But his values preclude him from criticising his former employers. That doesn't make finding another job any easier though

This case study was first published in BW, 15 May 2000

■ MEERA SETH

DINKAR Deo had never felt so uneasy. Two hours from now he was to meet a headhunter, Keya Das of Place-Men Services. The meeting was arranged by his friend, Rajesh Nath. Dinkar, who had been without a job last year, was advised by Rajesh: "It's time you buried your past and looked towards the future. This step has to be taken. There is nothing to lose, and I have already briefed Keya."

Dinkar's anxiety lay in his reluctance to talk about his past. No, he did not mind telling them that he was sacked from Gremwell India, a company belonging to the Bilva group, but he did mind explaining the event behind his dismissal. For, in doing so, he would unwittingly tarnish the name of the group which he held in great esteem. After all, the group hadn't harmed him, some people had. Why should the company's image suffer for the signs of its bad apples, he wondered.

"Fair enough," agreed Rajesh, "but also understand that Keya has been in this business for 14 years and understands that every organisation has pockets of disharmony which have nothing to do with its core values. Organisations, like people, develop weak spots in their system, which does not imply that it is in anyway weak."

Dinkar was temporarily comforted, but then, the people who harmed him held senior positions. Would the headhunter believe him? Somebody had to believe him. That was important for his



morale. "For the moment, let us not worry about that," said Rajesh. "It is more important that you believe in yourself and make the first move. But, as long as you are unwilling to talk, here can never be a beginning."

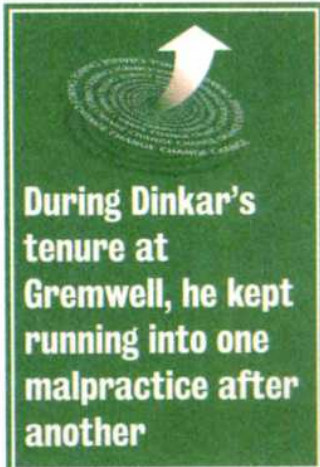
Dinkar had tried speaking to some of his seniors at Gremwell, but everyone was so busy with joint ventures and alliances, that Dinkar's case had been put on the backburner. Between his head office in Bangalore and his base in suburban Mumbai, so many moves had happened that following up his case had become tedious. Yet, in the one year since he left

Gremwell, he waited for justice to be done. He was confident that the top management of the Bilva group would reinstate him, which was why he had refused

to look for another job. "The moment I join another firm, my case will be forgotten," he had said.

But today, good sense prevailed as he agreed to bury the past and look for another job. But Dinkar was not prepared for it emotionally. He knew Keya would ask him a host of questions. Where should he begin, he wondered as he walked towards her office. OK, he'd start from where his career with Gremwell had ended, with the dismissal letter, which stated the ostensible reason as 'lack of initiative'. He knew if he said that, he would immediately defend himself with 'But I wasn't inefficient'. There was enough to show how efficient he was. But she would ask him: "Then why did they sack you?" That would mean telling her about the commercial malpractice, the lack of internal controls, the breach of systems and his own naivete in handling all this.

Much of Dinkar's tenure at Gremwell was spent in amazement as he ran into one malpractice after another which undermined his own image of the Bilva group where his father had worked many years ago. But each time, Dinkar sought comfort, 'but only this one is wrong, all else is fine'. And within a few weeks of his joining the company, he was handed the financial management of its



During Dinkar's tenure at Gremwell, he kept running into one malpractice after another

subsidiaries, legal issues, and more importantly, the joint venture negotiations with the two new prospects. Each time he encountered a systems defect, he was pulled away by the rush of the strategic intervention that the joint ventures demanded. Then again, Gremwell's subsidiaries were in the throes of a cash crisis, which also demanded attention. Thus, he lived from one transaction to another in a company that had few professional staff.

And, every time Dinkar expressed displeasure over some lapse, the managing director would say, "Look, don't get involved in the detail. That's not what I hired you for. You are here to examine financial strategy, leave systems and audit to the lesser accountants."

Despite the MD's advice, Dinkar would laboriously examine every module, scrutinise the ledger and initiate correction. For

Gremwell was facing a cash crunch and Dinkar was going to set that right. In the process, he watched as the skeletons fell out one after the other. Thus, it took him three months to put a clap on personal advances — but it rankled that in a group known for its systems and clean practices, advances operated like petty cash.

Likewise, he found that over 65% of the debts were overdue. Forty per cent of these debtors now claimed those sales were never made to them! Then where were the goods? That raised the curtain on rampant dumping by the sales team who were driven by targets. Didn't the internal auditors check this, he asked his MD. What about the statutory audit? There had been no statutory audit for two years! That was when Dinkar called in the auditors and demanded that the audit be started. That's when he realised that these were not isolated issues, but part of a widespread rot.

AND this was exactly how his meeting with Keya Das began, much against Dinkar's wish. "What did the MD have to say to all this?" she asked. Dinkar paused, then said: "Keya, all this is confidential, I don't want the name of the company tarnished or this information revealed to anyone."

"I understand," said Keya, "but tell me, what did the MD have to say?" Dinkar hated answering this one, for the fact was that the MD was aware of all this. Now, much as he wanted to avoid it, he was in the thick of narrating the story. "As a responsible, senior manager of the company, why didn't you write to the board?" asked Keya.

Which is what Dinkar had done. One year into the job, he kept hearing of malpractices. And each time he brought it up with Keith Noronha, the MD, the matter was postponed to a later date, as the alliances were at a critical stage in their negotiation and Noronha did not want to be distracted. By the middle of his second year, Gremwell's fortunes began to change for the better, partly owing to the cash management strategy introduced by Dinkar and the systems changes he had begun to initiate, but mostly because its latest joint venture with a French firm had begun to reap results. But the change in fortunes did not alter the attitude of the sales team and Noronha. As things became murkier, Dinkar decided it was safest to keep Gremwell's chairman informed. But try as he might, he was unable to get an appointment. His anxiety grew every day, for he felt it would be a dereliction of duty if he did not bring it to the chairman's notice.

So he wrote a note detailing a few issues he had encountered, adding: "If you want this firm to grow as well as your other firms, we need fair practices." Noronha, who had seen the letter, said:

"These are serious issues, we can't let them happen here." Surprised though he was, Dinkar was relieved that the MD was taking interest. Two months passed and nothing happened. When he asked Noronha, he said he had been so busy with the new alliance that he had had no time.

That was also when the auditors drew their first draft report which was marred with serious qualifying notes. That also queered the pitch for Noronha, for the Bilva board, which had been sent a draft of the auditors' report, decided to appoint internal auditors to examine Gremwell. The board meeting that year was turbulent and Noronha had a lot to explain. Yet he scored high points over the successful tie-up with the French firm and was only told to 'tighten your systems and controls'.

THE first thing that Noronha did was to appoint Sanat Dua as Dinkar's boss and financial controller, moving Dinkar as commercial controller, a designation that came without a job description. Dinkar was taken aback, but there was little he could do about it. Then things happened very fast. That year, Dinkar did not receive any increments. Noronha made it a point to tell Dinkar, "Increments are based on performance. You have not done anything spectacular. Dua is doing all the work, whereas all you have done is to squabble over systems."

That was the first time Dinkar woke up to reality. "Not done anything? Who managed the merger, who tidied the outstandings, who strategised the joint venture," he asked. "And if I was inefficient, why was I given charge of all three subsidiaries, and these key tasks which have borne fruit? In the two years since I joined, I have reversed the 88% working capital, streamlined sales, managed logistics and all this without any manpower! And in these two years not once did you tell me I was inefficient. Why, last year you gave me a performance reward of 100% and a special recommendation letter from the chairman. How is it that now you feel I have become inefficient?"

"Here you are talking of initiative, when all through the cash crisis the sales team appointed selling agents when there was no justification, paid hefty cash commissions, ignored the piling debtors... for which they were given generous increments. What message were we sending? I have shown you that sales were created by rampant dumping! Is this initiative?" asked an angry Dinkar. "Is this what Bilva stands for?"

System lapses were something Dinkar was not alarmed by. But what frightened him was the excessive and unjustified cash payments. Worse, payments to suppliers too were being controlled by the sales people. As he said to Noronha: "Cheques are being issued for amounts which have no documentation! That I de-

cided to put my foot down and refused to pass these cheques is now being attributed to my squabbling over systems!" Dinkar's mind raged with the details of the last one year since he was sidelined. Nothing made sense. Gremwell was a Bilva company and he, who had grown up on a diet of Bilva values, was amazed at the reckless commercial systems which he was unable to set right. Last year when the venture was signed he got a special award from the chairman, for it was a tough negotiation. This year he got a new boss and zero increments and a letter from Noronha which said, 'You lack initiative'.

That was when Dinkar wrote to the group chairman, a move which in his wildest dreams he would never have imagined. "I love this firm. I believe in its integrity, values, vision and mission. I believe in that wonderful purple flying bird logo which stands proudly outside our office. That is what gives me the courage to write to you today..." That was also the day when Noronha gave Dinkar six months to look for another job. "We are a kind organisation," he said. But Dinkar waited for a reply from the group chairman's office. Three months passed and nothing happened. Dinkar followed it up with another letter reminding him of his last letter and pleading intervention. Three more months passed and nothing happened.

"I left when my six months were up," said Dinkar now to Keya. "Through this time I waited and fervently hoped the chairman's office would act. Maybe they never got the letter," he said, showing copies of his letters to Keya. "Bilva is a great company, Keya, let there be no doubt. I hoped and waited for justice. But today I have a son who is taking his IIT entrance exams next year. In seven months time I will need Rs 75,000 to pay for his private tutorial classes. For that I need to earn money."

"Then why did you wait six months, Dinkar?" asked Keya.

"Because I had told my son the truth behind my dismissal. And I wanted to prove to him that truth would prevail! For my son's sake I hoped justice would be done. But now I am back to earth, wanting to start afresh."

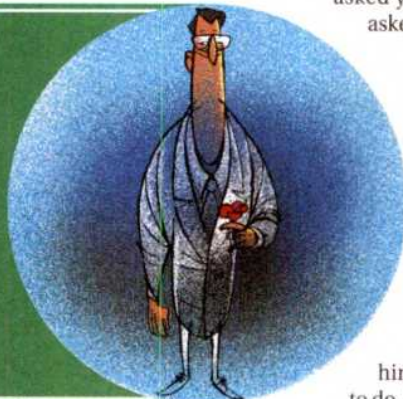
Keya was thoughtful as she said, "Dinkar, you will understand it will be difficult, if not impossible, to place you easily. Your credentials are good, your track record is also very good, but then there is the dismissal which we have to contend with. Companies do have a choice, you know." Dinkar did not give up. "I have explained to you in the last two hours all that transpired, exactly as they happened. I had the choice of telling you that I left on my own and that in the last year I was running my uncle's business, which also I did, but for just one month. I could have lied thus, but I didn't because that is not me."

"But you had the choice of resigning when Noronha asked you to. Why did you stay on and invite this?" asked Keya.

"Resigning would have been the most cowardly thing to do," said Dinkar. "I couldn't let the likes of Noronha abuse the power vested in him. That was my duty as a stakeholder and custodian of all that the group stood for. The Bilva group is not Noronha, or any of his men. It's made up of a team of stellar men who exemplify the group's integrity. I still believe in the Bilva group and its values, which was why I waited six months for the chairman to respond to my letters."

There was nothing about this man that hinted at dishonesty. Yet Keya was unsure what to do. "He is a good candidate except for the fact that

"I couldn't let the likes of Noronha abuse the power vested in him. That was my duty as a stakeholder and custodian of all that the Bilva group stood for — integrity and values"



he was sacked," she told her partner Mukul Kant. "The likes of Dinkar are not made anymore, because managers no longer identify so strongly with a company's values. Today's world does not speak that language. Maybe Dinkar is caught in a time warp. But now he is our candidate. What should be our approach in such a situation? It's worth discussing."

Keya had a file of references from Dinkar — friends, well placed ex-colleagues and ex-bosses who had wonderful things to say about this fastidious man of integrity. "His problem is, he is too value-driven," she said helplessly. "But how do I sell him to a client?"

"For that," said Mukul, "ask yourself one question: If PlaceMen needed a financial controller today, would you hire him? I will want a manager, a person who can engineer results. Frankly, why didn't Dinkar wage a war? As the part owner of this firm, I will certainly expect that in a similar situation a person in Dinkar's shoes should actualise his values and vision for the company!"

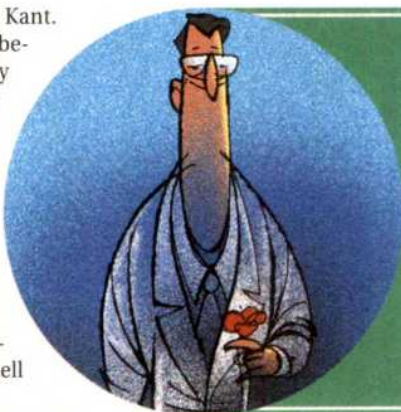
The following week Keya made an appointment for Dinkar to meet Shankar Iyer, the MD of Cremme Confectioners. While she did tell him that this candidate had been sacked by Gremwell, she also added, "There is a deep story behind that, but I have met him and I do think he is a stellar chap."

WHY was he sacked?" asked Iyer. "I need to know the whole story." Keya replied, "There was a difference of perspective between Dinkar and his bosses at Gremwell. There were also some system flaws which the company seemed unwilling to resolve and which Dinkar felt was leading to malpractice. His persistence over its resolution led to the dismissal. However, you can ask him when you two meet."

But when she mentioned this to Dinkar, he said, "Keya, please understand that I do not want to go parroting this story to everyone. It took a lot out of me just talking to you."

"But Iyer, as a prospective employer, will want to know directly from you, in your words, the story."

"That I cannot," said Dinkar. "I respect and value Bilva and anything I say will damage the group's image. My differences were with some individuals who were not stakeholders of the Bilva values. But in order to prove that I am a good boy, I will unwittingly cast a shadow on the group's image." "Dinkar," said Keya, "if you have decided to build a future you have to meet it on its terms. You can be fair to Bilva without fighting its battles. Then again, values and image means a lot to its management. For the moment, ad-



"A prospective employer needs to know that I was sacked. But not about the internal mess at Gremwell. As important as finding a job is protecting Bilva's image"

dress your career needs. Iyer, as an employer, will want to hear your story from you. Then again, please understand that at PlaceMen we find people for jobs, not jobs for people. Don't be offended. Why should I market you to my disadvantage? Why should Iyer not ask questions? Am I taking responsibility for you? No. All I can do is put you and Iyer together. Then it is all up to you!"

"I understand Keya," said Dinkar, "but finding a job today is as important as protecting Bilva's image. Holding Bilva's values so close to my heart isn't a romantic notion for me, it is what I believe in. Think about what I am saying. The details of what transpired, the control lapses, the dumping, the malpractices ... all these are inside events at Gremwell, which no doubt caused my career to end. But from Iyer's or anybody else's point of view, these transactions are not important for him to take a decision on hiring me. He needs to be told that I was sacked and I have no qualms about saying that. He needs to know why and I will tell him why — the management and I had irresolute ethical differences. He needs my references which I am producing. He needs to know that you as the person who is recommending me believes me. He needs to judge whether I have the wherewithal to perform the role he has in mind. What has the internal control mess at Gremwell got to do with that decision?"

And, this is what Iyer said: "Keya, I respect the man's feelings, but also understand I am hiring a senior manager in finance. A good manager is also one who manages his life well. So I need to hear the story from him. I have until the end of the week, if he changes his mind, please call my secretary."

Keya said to Mukul: "The situation gets curiouser and curiouser." "So, who is right? Will Iyer be wrong if he asks searching questions? Who can break this stalemate? Dinkar has a point, Iyer has a point too, and we have already made our point to Dinkar. But there is a learning here. What if we had placed Dinkar at Gremwell? How would we advise him to manage his situation?" ■

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SPS GROUP

ANALYSIS I: VIKRAM LAL

The Perils Of Obsessive Loyalty

Vikram Lal is a member of the supervisory board of the Eicher group, and was chairman of the group.



VILVER PRANASH

THIS is a case of a very strong identification with an idealised institution. The closest parallel I can think of is a person's identification with, and love for his country. Dinkar grew up as the son of a Bilva group executive, imbibing during his childhood the deep respect and pride that his father had for his employers. It had reached a stage where, in Dinkar's mind, neither the group nor its owners could do any wrong. He had even gone to the extent of promising his son — based on that view — that 'truth would prevail'.

Dinkar's three-year stay with Gremwell and the year thereafter in limbo were filled with daily reminders that nothing was as his father had experienced it. He encountered one malpractice after another, yet kept telling himself that these were isolated incidents. Admitting that they were the new reality would have forced Dinkar to change the view of the Bilva group, and caused him immense insecurity because he identified with it so closely.

His defence of the indefensible, even going so far as to jeopardise his future (and the education of his son, among other things) can only be explained as an extremely deep-seated emotional issue. He may have felt that he would dishonour his father if he, in any way, thought ill of Bilva. It is obvious that Dinkar was brought up to believe that Bilva was an organisation with the highest ethical practices and with great concern for its employees. He was unwilling, perhaps even unable, to comprehend that organisations change with time and specially so with leadership.

It was clear very soon after he joined Gremwell, the Bilva subsidiary, that all kinds of things were wrong within the company. Some of them were related to loose controls, indicative of shoddy management, but others — such as 40% of the debtors claiming that supplies were never made to them — smelt very strongly of malpractice of a much more serious nature.

If, for some reason, there was one doubt about Gremwell's condition being atypical of the Bilva group as a whole,

these should have been cleared immediately after the board meeting, in which the MD was told merely to tighten controls. In other words, the board obviously put the successful tie-up with the French firm above effective systems and ethical practices. It ratified the MD's assumption that as long as success was achieved, the means were not important.

And if further proof was needed, it was provided by the MD's behaviour. He side-tracked Dinkar and brought in another person to head the finance function; he stopped his increments and then served him a notice. Dinkar wrote to the group chairman, and tried to contact some of his seniors, expecting the wrongs he had pointed out to be righted, and later, when he had been sacked, to be reinstated. None of that happened, and yet it doesn't seem to have shaken his belief in the group.

organisation, and for Iyer it is very important to understand what kind of a person, he is. Unless this major crisis in his career is fully explained, there is no way that Iyer should consider appointing him, as he had already indicated.

But the case is not resolved by Dinkar telling the whole story. Once Iyer learns of it, he must consider what ramifications it may have for him and for his organisation. Dinkar is obviously an efficient and hard-working manager with high ethical standards, but he had a strong irrational streak. Is his identification with the Bilva group the only aberration, or does that define his personality? If the latter, he may prove to be too difficult a person to work with.

This is an assessment that Iyer would surely have to make. There is another question: would he be able to devote himself fully to Cremme Confectioner's affairs, and

Is identification with Bilva, Dinkar's only aberration, or does it define his personality? If the latter, he may be difficult to work with

I can understand a certain doggedness and a desire to hang on to childhood beliefs. But I would rate the situation portrayed in this case as extremely unlikely. Protecting a company that was engaged in a variety of malpractices, and that had ill-treated him when he tried to do something about it shows naivete of a high order. It is indicative of a large blind spot that had already brought him agony and would continue to do so unless he was able to separate himself emotionally from it.

There is no question in my mind that Iyer, Dinkar's prospective employer, must learn the real reason for his dismissal from Gremwell. It is unreasonable to expect him to leave the matter unexplained, and simply depend on references and his ability to do a job. As a senior manager Dinkar would have a wider influence on his new

not be distracted by his obsessive involvement with his father's and his own erstwhile employers? Would his exceptionally powerful loyalty to Bilva cause him to do something as foolish again?

The final question is: what should Keya Das and her placement agency have advised Dinkar, had they placed him in Gremwell in the first place? In my view, considering the circumstances, they should have helped him find another job latest when he had got a six-month notice. However, had he come to them earlier, they should have advised him to do just what he had done, which is to confront the MD, to write to Gremwell's board and finally write to the chairman of the group. Also, they should have told him to look for another assignment as soon as he was out of his finance role into a non-job. ■

ANALYSIS II: JESWANT NAIR

Welcome To The Real World

Jeswant Nair is head (human resources), India, ANZ Grindlay's Bank.



BLIND loyalty often causes hurt. Loyalty is a two-way street requiring both parties to work relentlessly to uphold its values. Unilateral loyalty may not beget reciprocal action. Being loyal to an organisation is a value that has well served its time. The case of Dinkar Deo is sufficient testimony to this.

Going by the facts of the case, reflecting on the series of events unfolded until now, one can find fault with both Dinkar and the management of Gremwell. Dinkar exhibits technical soundness in detecting systemic lapses, in tightening these and in negotiating alliance arrangements. However, he seems to lack a strategic vision of his role and tactical thinking. It was important for him to appreciate that his agenda did not seem to synchronise with that of Gremwell. Gremwell seemed to be more focussed on pushing the ventures than a clean-up job.

If Dinkar needed to reposition priorities, he should have thought it through and picked the time and the method to be followed. Instead, he chose to use a blinkered and conventional approach. A manager and a business leader is not merely a technical performer. He needs to influence the collective thinking of the leadership and the organisation. Management is not always about doing the right things but also of doing things right and there is a standard formula of how to do things right. Instead of expecting retribution or worrying about why his loyalty to Gremwell was not reciprocated, Dinkar should seriously reflect on his leadership style. Leadership is all about seeing a distant end and mobilising minds and people to accomplish that end.

His naivete and sense of loyalty freezes him. His leadership in adversity, stands in serious doubt. Somewhere in the deep recesses of his mind, he believes that if he does his duty well, he will receive just rewards. He assumes fair play and recognition of justice from others. This is not a truism in the real world. Apart from doing his duty, he must ensure that he has strategy for success; for his line of thinking demands the attention he justly deserves.

Like Gremwell, many managements do not like 'bad news'. They like to hide the

bad and 'advertise the good'. Thus, in Gremwell, there was jubilation around the signing of the ventures, but scant respect for the accounting improprieties. Whether these were systemic or real integrity lapses, these were issues requiring immediate and top management attention. However, it appears that there is either a collusion of sorts in the upper hierarchy of Gremwell to disregard the report of malpractices or the intermediate levels between Dinkar and the group chairman found convenient ways of suppressing and sabotaging the letters from reaching the group chairman.

Sometimes, the intermediate hierarchies present a person as a trouble-maker and recommend a response of ignorance: 'Let barking dogs lie'.

This too could have influenced the lack of response from the group chairman. The lesson to be drawn from this is that managements must find ways and means to solicit bad news and create institutionalised processes to short-circuit the hier-

archy particularly to listen to bad news. Most managements don't actively do this. Often they fear that direct bottom-to-top communications may result in too many complaints, fault finding and blame fixing. While this fear may be partly true, it also shuts off the ground reality for the top.

Going back to the facts of the case, Dinkar is now in the market seeking employment. He has an appointment with the managing director of Cremme Confectioners, thanks to the efforts of his friend Rajesh and the head hunter Keya. Dinkar was unwilling to explain the various transactions and incidents that prompted his dismissal from Gremwell.

Dinkar's reasons for not doing so arises from his loyalty and the need to protect the image of the Bilva group. Are these old

Cremme Confectioners is well within its rights in seeking to explore Dinkar's behaviour. It would have to know the magnitude of the malpractices which invited such perseverance from Dinkar

world values relevant today? Was his commitment to the group and his professional discipline rewarded? On the contrary, if it was punishment that was meted out to Dinkar, did he not have the right to deliberate the reasons for his dismissal? Surprisingly, these thoughts hardly ever occur in his mind.

Dinkar feels that as long as Cremme Confectioners believes that he is competent and finds his credentials impeccable, it should not expect him to elaborate on why he was 'sacked'. Once again, Dinkar's naivete is astounding. As a manager, he must know that apart from his financial management skills, the decision to hire manager involves the search for leadership capabilities.

Cremme Confectioners is well within its rights in seeking to explore his behaviour and motivations under different circumstances. It would like to understand the magnitude of the malpractices, which invited such perseverance from Dinkar. Fur-

thermore, standing up and being 'punished' for it, can be construed as an admirable quality. A disadvantage could easily be converted to an opportunity. The obstinacy not to deliberate his dismissal or the naivete of protecting the group, at the cost of himself, will only lead to further peril.

Cremme Confectioners has a job which on the face of it Dinkar qualifies for. Keya stands to gain from the headhunting fee and the satisfaction of having pushed the cause of a worthwhile individual. Dinkar is badly in need of a job and has an opportunity at his doorstep. All three can be winners. Dinkar has the key. The only thing that will keep the door locked is his misplaced sense of loyalty, naivete and obstinacy.

Time to wake up, Dinkar! Welcome to the real world.

Disappointment Management

Inner battles are fought by even successful managers. Mistakes and failure visit even the successful and glorious

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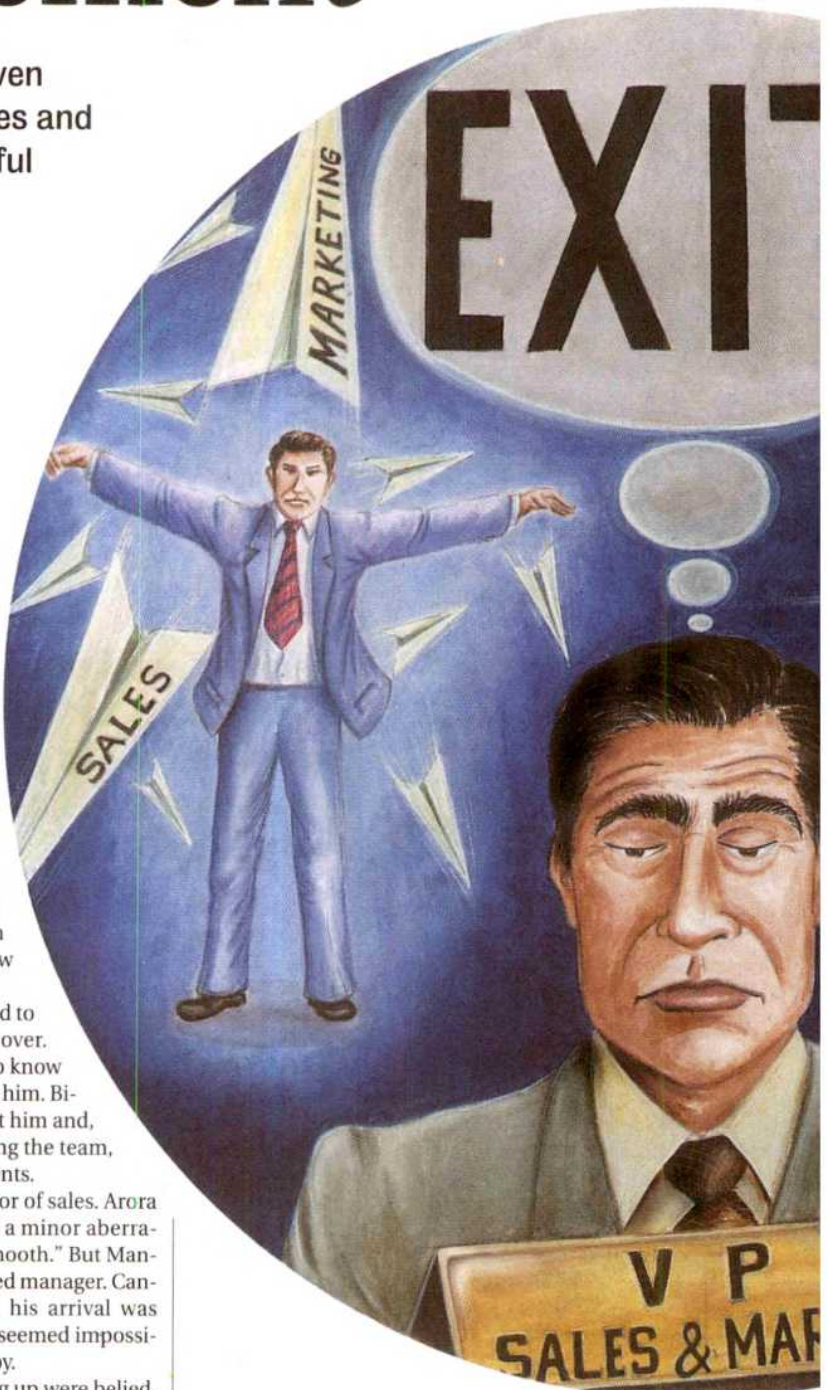
■ MEERA SETH

ANUP Shukla felt the return of a peace he had not experienced since he joined Cantor. He felt very good. After barely five months in Cantor, he had resigned! Anup had left Winnow Products to join Cantor as its vice-president of sales and distribution. But Cantor had, in fact, split the earlier role, and asked the erstwhile head, Binoy Barua, to take over supply chain, leaving the soon-to-join Anup to focus on sales and distribution. But Anup was not to know that Binoy was unhappy with the change.

So it was. When Anup joined, Binoy continued to don both hats under the pretense of handing over. Anup did not see anything amiss, until he got to know of Binoy's meetings with the sales teams without him. Binoy also met stockists and territory staff without him and, soon, confusion began building up slowly among the team, staff, customers and his peers in other departments.

Anup took it up with Mandeep Arora, director of sales. Arora panicked. "Take my word," he pleaded, "this is a minor aberration... we are ensuring that the changeover is smooth." But Mandeep had cause for worry. Anup was a highly-rated manager. Cantor had hired him after much difficulty and his arrival was announced in glowing terms. Yet, taming Binoy seemed impossible: he was the managing director's blue-eyed boy.

As the days went by, any hope of Binoy letting up were belied.



To make matters worse, Mandeep was called overseas for three weeks to resolve a brand sale. Anup found himself in a worse position than before. He had a great job, but could not do it. He had a good life, but could not enjoy it. His peace was eroding, day after helpless day. Maybe I shouldn't have made this change. Why is this seeming like a mistake now, yet did not seem so then? I did think hard enough about this change, but how was I to know about Cantor's internal problems? Will this pass?

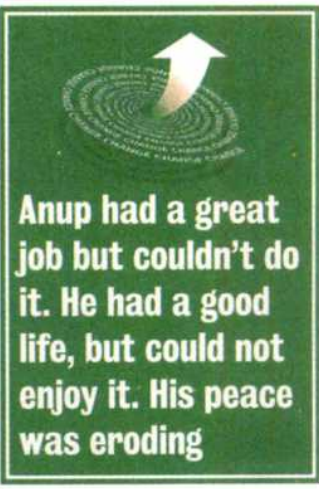
By the end of two more weeks, Anup felt totally sapped. I am spending more time ensuring Binoy keeps me in the know — why am I doing this? This is not my style! I need to get my teeth into the market, into reports and plan-

ning. In a bid to revive his spirits, Anup called his colleagues at Winnow and engaged himself in sorting out their problems. But life had to be lived at Cantor. And here he felt unwelcome and became increasingly aware that he was a misfit.

Maybe I took a big gamble in joining this place... "How are you liking it there?" his friends at Winnow asked. "Just warming up to it," said Anup. What else do I tell them? That this recruitment was handled sloppily? Or that I made a mistake in moving to Cantor? Look, people make mistakes, and this is not my first mistake and won't be the last. Mistakes are good... stretches one's capabilities. Anyway, this is not a mistake yet... so let's see what I can do until Mandeep is back. And, if it is a mistake, I must find a way to correct it.

Resolving his problem at Cantor now dominated Anup's thoughts. But, in his profession, image was very important; therefore he wasn't going to react. If he had, in fact, made a mistake, then he should leave Cantor as soon as possible. But I must safeguard my reputation! Then there was his family, his kids and parents. They trusted him to take the right decisions always. I cannot let them down!

The Cantor team had warmed up to Anup. Yet they remained



Anup had a great job but couldn't do it. He had a good life, but could not enjoy it. His peace was eroding

at a guarded distance. Some of his staff saw him as the new man who was a star. Some knew a lot about his pioneering efforts at Winnow in such detail that it unnerved him to think of his image being that huge. His assistant once said: "You always look preoccupied," and Anup had smiled. "That's a con," he had said jokingly. "When I have that look, it means I am thoroughly bored," he added. The girl had laughed. "We need this brand of humour here, you know."

Mandeep came back with an angina condition that put him on a long bed rest. Binoy took to playing God with increased vigour, leaving Anup's fate in quicksand. Going to HR or the managing director seemed premature. "Can't have them think that I am incapable of handling this." He would have to manage this on his own terms, he decided: assume full re-

sponsibility for sales and distribution, and simply ignore Binoy's existence. So, he went about getting oriented: did the rounds of markets, the retail, met with the area sales teams. But there was always Binoy interrupting, pulling people out, assigning tasks to them. Mandeep sent him an email from his bed: "Tell me what's going on." Gosh, he doesn't need to know. Let him get well. I must try and fix this thing in whatever manner I can. I simply have to get Binoy out of my turf without Mandeep's help.

HE chanted that like a mantra, but daily events had a way of reinforcing his perceived failure. "You know," he finally said to Siya, his wife and friend of many years, "I am getting bored at Cantor. I am not enjoying... There is so much I am capable of; all this is making me restless." Anup needed to say that finally. Air his feelings. Someone in this wide world had to know how he felt. His wife would, he knew. The other was his friend Dash. He had to let them know that somebody had let him down. He didn't want friends and family to think he had goofed up.

They must know that somebody somewhere had held back just that bit of information that would have changed his decision to join Cantor.

"Why don't you go back to Winnow?" asked Siya. "How, Siya?" asked Anup. "You know Manu has been promoted to take over my job next month. It will get so embarrassing for him. Besides, Manu needs this break. Moreover, why walk away from this situation? That's a coward's method and I am not a loser. So, the solution for me is to try and fix the situation. All I want to do now is to face this and fix it." Then he said, "When I was a kid, I used to be deathly scared of roaches. Once I ran out of the bathroom because there was a roach. Dad said: 'You are here and the roach is still there. The roach has not gone. You need to have a bath. Go fix it...' It's just like that. Of course, I never fixed the roach then... got dad to hammer the fellow..." Both burst out laughing. And in the empathy that the familiarity of domesticity brings, Anup sought his peace.

One more month passed. The situation did not improve. Binoy intruded, took away staff, cancelled meetings fixed by Anup, until one day Anup went up to him and said, "Binoy, I came here to do a job. But this overlapping is not good for you, not good for me. We are both unable to perform optimally." "Look, why don't you take it up with the MD?" said Binoy. "I am doing this in deference to his suggestion. He wants me to manage sales till Mandeep is back."

"I had every good intention of fixing this situation, but now I

realise there is no option, because I can't fix it. If the MD did not think it fit to speak to me about his decision, it points to a totally different mindset ... and I am not getting into that." All this while, Anup's only thought was his decision should not affect those closest to him, specifically his family. "I cannot be irresponsible"

Yes, he could simply leave Cantor, but before that he needed to do a small amount of stock-taking. How long would it take? And should he aggressively contact headhunters? Let them know? Yes, he could see Dash saying, 'Give it another shot, you are built for that, you know!' and he could see himself agreeing and giving it another shot, battling it out some more. No doubt, it would only strengthen his position and image as someone who tried his damndest best. Dash would have said, 'Suffer it some more and wait for fresh solutions, its good for the soul...'

But Anup saw no resolution on the horizon. Now it is beyond me. At first, I did not think I had made a mistake. Now I realise it, and it will be a bigger mistake if I drag on here. Okay, so I have made a mistake, feels okay to say that. But I did try to fix it, I gave it three full months.

DEEP within, Anup felt he could not salvage the job. Yet he decided to give it one more shot. Because somewhere there was hope, and he wasn't going to play with his reputation. I owe this much to my family. I have to try and make this job work. But am I making a deep mistake? And even if I did wage a war and won, this culture will rear its head up again at another time. But what do I do? Must let a few headhunters know...but what do I tell them? What if they think I failed? He still had no friends at Cantor, not those he could discuss his situation with. But he was building a good rapport with his team.

"Some things have changed," he wrote to Dash. "Like I have won the loyalty of my team, their faith and their belief. But there is no joy in doing this job. I feel cheated and now, after what Binoy said, defeated. Am I making a mistake? But, if I am a good manager, I should be able to pull off a success. Isn't that true?"

"A good manager is not necessarily one who always pulls off successes," replied Dash. "And situations like this happen to many, even good managers."

Going to work was now becoming a painful process, right from the moment he woke up. Of late, he was waking up feeling feverish. Maybe I am getting the flu. Best to take a Crocin anyway. My conscience tells me to be brave. I must set an example. Yet, twice a week, he was reaching work late. "It's this 'ill' feeling, I have," he wrote to Dash. "It's the first sign that you don't like this job, and your body is telling you that," Dash wrote back. "When a guy detests his job, the first thing he does is to avoid it. It is simply

explained thus: Can I get a few minutes to think outside the situation, while I also avoid it? It's not about dishonesty; it's a coping strategy. Look, we finally need to be able to live. Remember, when we were kids, we always hoped the school would burn down on the day of the examinations!"

Anup smiled. The lightness of these quick exchanges brought him relief, even energised him. Then, he was able to abandon the bad feelings and engage in work. He even tried to make up for coming late. There were some old stockist issues pending resolution and he decided to sort them out. The more of THESE things I do ... the more THINGS I do ... I will find my groove and peace. But, then, two of his staffers did not turn up for work for two consecutive days. This is frustrating. However, I am going to keep my cool because I need to keep trying. This has been happening too often.

Anup felt angry that he could not accomplish the simple stockist issue. He got immensely annoyed when the stockist complained. You think I don't feel the frustration and impatience? I wish someone would understand! Nothing seemed to be working right. Life is not working out. I must find a solution somehow. His staff was barely there to work with. They were either absent, or working for Binoy, and Anup could never say which it was. But I have to first listen to what they have to say. I need to be understanding. Must keep trying.

Small tasks were not bringing him joy. And there was that nagging feeling at the back of his mind. What am I doing here? How could I make such a mistake? As the weeks wore on and the half-year drew to a close, Anup was close to desperation. He saw sales as his responsibility, even though Binoy would not give it to him. The targets were still a few points away and he had barely a month left. An email message from Binoy made him profoundly angry. It said, "You still have a lot to achieve, my friend, check your targets."

"So it has come to this? Am I answerable to Binoy? Have things really got that out of control? Why am I still here? Why do I care about making things work?" But he checked his feelings before he discussed the targets with his team. I have to be in control. Whatever my feelings, the show has to go on. The teams sounded pessimistic and hopeless. They are as helpless as I am. I must do something soon. First, I was spending my time managing the Binoy factor, now it is a team that has no stamina. Naturally, if Binoy pokes his nose so much, it is bound to happen. Life was not working out, and Binoy was battering Anup's self-esteem too.

Next evening, his regional sales heads wrote in: "After we met yesterday, we examined the situation and homed in on three areas, which will be the focus of our efforts over the next two weeks.

We will keep you posted. Debu will take two days to begin with; his mother is undergoing surgery today. But we promise to deliver. You can count on us always."

Anup picked up the phone and called Debu on his mobile. "Does the office know about your mother's condition?" he asked. No, there had been no time, said Debu. Thereafter, it was quick. Anup spoke to the office medical head, Dr Ved Gulati, got him to speak to Bellevue Nursing Home, got him to fax out a letter of comfort to the hospital so that they wouldn't hassle Debu about payment. Then he called Debu and told him: "And listen...the family takes precedence over everything, okay?"

Anup felt in control. Good boys, they are really working hard! And this Debu did not even tell

Resolving his problem at Cantor dominated Anup's thoughts. But, in his profession, image was important; so he wasn't going to react. He must safeguard his reputation



me about his mother. The office employees were touched by Anup's efforts. Anup felt useful and valuable. "Was able to get something done. Finally, am able to use my skills. That's good enough. Siya listened to him attentively over dinner. "That was a little restorative, you know," he said. "Being useful to Debu just put some of that self-esteem back in place." Dash wrote: "Guess self-esteem always needs to be in place. It comes first. Without self-esteem, you need a shrink, not a job."

Next morning at eight, Anup got a call from a head hunter. He was offering regional sales jobs. Anup hung up. Am I desperate? Is that the impression they have now? This is the third job I am being offered in a month, and not one meaty enough. I am senior, and yet, I cannot find a good job?

That sense of desolation dogged him into the weekend. Am I losing my reputation? Why am I not finding another job? But if I sit at Cantor, I am not going to find a job. Maybe I should just quit and then start looking for a job in right earnest. Better than being here and losing self-esteem. Does anybody care? Cantor does not, then why am I still there?

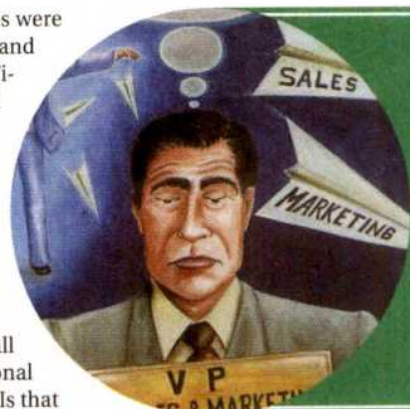
Anup surfed the channels for most of the day. He didn't pay much attention to his children, ate quickly and left the table, or took his plate away to watch TV. Then the TV's remote was not to be found and Anup spent an exaggerated amount of time looking for it. Finally, he asked his daughter. "Dad you should know, you have been stuck to the TV all day." That upset him immensely. "Okay, agreed. I am to blame if it is misplaced. But others can help. Nothing wrong in that," he said stiffly. As Siya tried to placate, he went on, "What needs to be understood is others are to blame too. I have done my best and am even now trying; I am partly responsible for all this, I know, but let others see their role too."

THE weekend was tense. Anup pottered around, fixing his son's cycle, mending an old chair, then got down on all fours and scrubbed the bathroom floor. Siya understood in her own quiet way. She had no solution other than simply being there. Anup refused lunch, saying he wasn't hungry. "He just needs some space to sort out his feelings, I think," Dash wrote to Siya. "I think in this whole battle, he is terribly alone; even that Mandeep fellow is not back yet."

A week later the sales teams sent in their new positions. A lot of optimism followed. Anup felt the old half-joy returning. I must hang on to this feeling; some things are working, even if everything is not. But life is like that. One small step at a time, and soon I will have climbed this mountain. And yet if it all fails, no sweat; it's part of life, what the hell! Great cricketers have failed, Shahrukh Khan has had flops, great scientists and statesmen have failed too, the UTI failed, so everyone fails, right? No one is invincible. This despair is part of the journey, not the end outcome. Soon, I will catch up...

An old school song played in his mind: "Once I feel I am down on the ground/ Then I am up in the air..."

The training manager called Anup, asking for help in designing a programme on anxiety management. Now, here was something new to do. Why not? It will be fun, a learning opportunity. Every stone has to be turned, every opportunity explored...somewhere there, lies my solution. But what is to become of me? I still



'What am I doing here, among people who cannot care, who would rather seek safety in toeing the line? I have been patient, given Binoy a long rope.'

haven't found a job. I wonder if things are getting better or worse. I feel frustrated and exhausted. It's exhausting encountering uncertain beginnings and uncertain endings at every stage. Now I need to somehow get my professional life back on track.

Pain took over again. For how long this brave act? I am tired of being patient and calm and correct. It has done nothing for me. Nothing is changing, I am unable to change it. So this is life, this is the crossroad where I evolve. Great, but I am sick of this! I am bored with this situation, this charade. Give me a big mountain to climb, but what am I doing in this brackish puddle? Give me problems that challenge my soul, my spirit. I am not working like I used to.

Binoy played another card. He sent an email to the board to say he was making the half-year review presentation. Anup's pitch was now queered. One has to have a mind that works like that, grabbing, jostling, nudging... Yet he spoke to Binoy about the impropriety of his decision, copying it to Param Mittal, the HR head. But it was water off a duck's back. Param said, "Let this pass. These things take time to resolve..."

And then it hit him. Nice and hard! What am I doing here, among people who cannot care? Who would rather seek safety in toeing the line? I have been patient, given Binoy a long rope. But no more. I do not have to subscribe to Cantor's methods just to save my job. No, I do not have to and am not going to. If Binoy is precious, let them manage that wealth. I am precious to myself and to my family, and I am going to manage that hereafter.

Let's see. Will my family really be disabled if I am without a job for a few months? No. I have worked for 19 years and my savings are healthy. Yes, my image might take a beating, but that's okay. Better than all this spirit-bashing I am enduring here. And my 19-year record is more valuable than these few months at Cantor. My 19 years will protect my reputation. My family is very precious to me, but I must also be sensible.

I am a good manager, so why can't I use those skills to plan my life successfully? I can. Sitting here, my worldview is blurring daily. I am becoming blinkered and pessimistic. My goal appears to be: 'To retain this Cantor job'. Why should it be so limiting? And why am I looking for another job in sales?

Once I get off this treadmill, I am going to have more clarity. So I am stepping off to rebuild my life. Examine the options. Stare hard out of the window and look at the opportunities. I will readjust my worldview, my ambitions, my goals and craft the road I want to be on.

That week, Anup resigned, amid a confused protest from Cantor, but strengthened by Siya's reaffirmation: "I am with you, do as your soul directs..."

ANALYSIS I: ANILJIT SINGH

Superman To Man

Aniljit Singh, a management graduate from IIM-Calcutta, is currently the commercial director at Celltel Lanka, a mobile operator in Sri Lanka. He has over 15 years experience in sales, marketing and operations.



ANUP'S dilemma, however painful, is common enough. Most good managers often get breaks in smaller companies, where the independence of action is the key attraction. Before the decision to move is taken, however, adequate research into the new company is a must. What any such preliminary exercise must include is partly formal, that is, "ask for a written job description" and "reporting relationships". Add to this a more important element: informal research into who the people are, their backgrounds and their reputations. However difficult, it reduces the degree of chance one takes with one's career. Though one will not get good reports all the time, they will tell a person the skills required to manage a particular situation exists. In Anup's case, diplomatic aplomb, or putting his foot down, were not skills well practised.

Anup, having joined Cantor, faced many fears: "What happens to my image?" "Will I get another job?" "Will I let my family down?" Though a highly-rated manager, he lacked certain key skills, which end up playing a central role in corporate life. His inability to bring these skills into play — especially in his situation — contributed to his disillusionment and eventual decision.

The first of these skills I would call the "Early Warning System". When Anup first discussed the problem with sales director Mandeep, the lack of a clear-cut solution was a sure signal of the disaster that awaited Anup. Such a response should have encouraged Anup to start looking elsewhere, including his previous company. (A good response from Mandeep would have been: "Let's meet with Binoy, table the conflict, and close when we have solved it.")

The second is the willingness and means to get "good advice" outside one's environment. It is natural to get confused when going through this experience, but writing out pluses and minuses on paper, and discussing with another experienced professional, who has a stake in you (friendship is enough) and no stake in the company, accelerates the process of arriving at a conclusion. The question in Anup's case was not whether he should quit, but when!

The third would be "Conflict Resolution". If you do not feel right (feel being the operative word), you set your mind to resolve the conflict, before you judge yourself for results or lack of it. Conflict resolution would include raising the issue, forcing a satisfactory conclusion, and raising it again, if necessary. In the first discussion with Mandeep, Anup agreed with, "We are just ensuring that the changeover is smooth." When Mandeep came back with angina, Anup felt incorrectly that going to HR or the managing director was premature.

While the skills mentioned have a role, yet at times you need to ask yourself, "What do I expect from this job? Paycheck? Recognition? Acceptance? A free hand? Learning? (And sometimes) At what cost? Self-esteem? Self-worth?"

Anup, clearly, was the kind of person, who liked to do a job well, but never got a chance to show what he was capable of. This was frustrating him immensely, to a

signments that were beneath his capabilities, but he should have kept in mind that these came to him without asking. It was no reflection on him, but the lack of research on part of the headhunters.

Anyway, carrying on would destroy his reputation more than quitting. Getting annoyed with stockists, having pessimistic teams, would not help him achieve anything substantial had he carried on. Anup's family was supportive, as Siya put it, "Do as your soul directs." When Anup felt, "I can't be irresponsible," he did not realise that he was, in fact, being exactly that: irresponsible! By being in an environment where his self-esteem was eroding, he was deteriorating into a careless father/husband, and, given his healthy savings, any family wants a caring husband/father first, a successful manager next, not the latter at the cost of the former. In the transition, while Anup was making up his mind, his family refrained from criticising him, and did not nag him,

At times you need to ask yourself: "What do I expect from this job? Paycheck? Recognition? A free hand? Learning?" Sometimes you also need to ask: "At what cost? Self-esteem? Self-worth?"

level where he started feeling unwell, snapped at his family, and concentrated on his own helplessness. Once Anup realised "it will be a bigger mistake, if I drag on here", after three months of giving it a try, yet one more try, it turned out to be his undoing. Motivated by the fear of being seen as a failure, he postponed talking to headhunters. But headhunters are also humans, and they have witnessed such circumstances at times. If Anup had 19 years of good rating, he would most definitely find a suitable assignment, one that would fit his experience and seniority. One must not forget that there are always some employers, who have not found the right candidate, and it is only a matter of time, before Anup would find his niche. And, correctly, Anup, refused as-

despite his changing behaviour at home. He should have got the confidence to quit.

In taking the move to quit, Anup realised his mistake of dragging on at Cantor, and decided to move out without a job, and start rebuilding life again. With an open mind, he examined his options, and readjusted his ambitions, goals, and chose the correct path to them — not forgetting his successful foundation of 19 years, which could not be taken away from him, ever.

This, perhaps, with the wisdom of what kind of a person he was and what environment he could manage and what he could not. Because, realising what you cannot, is growth itself. And that familiar peace, is worth a fortune, perhaps the best gift to a family. ■

ANALYSIS II: ACHAL BHAGAT

Journey To A Mirage

Achal Bhagat is an Oxford-trained psychiatrist and psychotherapist with the Apollo Hospital, New Delhi. He understands organisations as systems and tries to help them discover their unhelpful patterns. He also heads Saarthak, an NGO fighting for the rights of people with mental illness.



TRIBHUVAN SHARMA

HORIZONS are wonderful mirages. But journeys to them are through deserts. Anup felt that he had arrived. But it was only to a mirage. A place that did not exist, where it was difficult to create space for oneself.

Let us try and find answers to some very obvious questions.

What went wrong and who was to blame? Before you create new beginnings, you have to manage endings. What went wrong was the ending of a role that Binoy was playing. The ending went wrong perhaps because there were communication patterns in Cantor where people agreed to create a consensus but did not voice what they actually felt. Why was Binoy moved from sales to supply chain, what strengths did he have for the new function? Who communicated the change to him? My guess is that the communication to Binoy was as ambiguous as the one to Anup. Blunders are always made in series. When such blunders become a pattern in the organisation, the leadership has to accept responsibility for it.

If you try to achieve consensus in organisations you create political parties. A new dissident group is formed with each new chief minister and the head of the dissident group is the person who proposed the name of the chief minister. If you cannot stand by a decision regarding a senior management appointment, it is a question of integrity. Such issues cannot be resolved with time but with acknowledgment.

Could Anup have done anything different? Anup was overwhelmed by the situation, anyone would be. But he seemed to be paralysed by his two assumptions: one, as a good manager he should be able to manage the situation. Two, this short stint at Cantor would become a definition for the rest of his career. These assumptions made him feel helpless and stressed. If he had asked himself the following questions, it would have helped him move on with his thinking process.

"What is the cost of this experience to me? Am I willing to pay the cost?"

"What is the worst that can happen? What is the likelihood of it happening?"

"What would be my advice to Mandeep, were he in one such situation?"

"What are my rights in this situation as a human being?"

The answers to all these questions would have made him have an early communication with the MD. It would have led him to acknowledge that he could not be blamed for the communication pattern in an organisation. He would have made his choices earlier and saved himself the months of agony he went through.

It is difficult to make choices. Most choices mean you give up something and you gain something. There is always a fear: "Will I lose out because of the choice I make?" "What will my choice tell people about me?" Sometimes, because of this fear we postpone making choices. Sometimes, we feel so frightened of the choices

organisation that could not hold on to its newly appointed vice-president has perhaps sent a message to its managers, its vendors and its sales network: "We do not value people." People do not really want to do business with organisations that do not value people.

What happened after Anup left Cantor? I will try to gaze into the crystal ball and predict the future. At Cantor, perhaps people continued to cherish the delusion that they were a forward-looking organisation and the new entrant was just not made for the Cantor culture of patience and working as a team. The organisation became an inward-looking organisation, where people continued in the same positions and similar roles for years. Suddenly, there was competition and another corporate, headed by a bright, ambitious and communicative person called Anup, challenged the market share. Cantor's MD at

It is difficult to make choices. Most choices mean you give up something and you gain something. There is always a fear: "Will I lose out because of the choice I make?"

we make that we give up the right to make choices. Anup, finally, was able to make his choice, but he nearly got pushed off the cliff, because he waited too long.

What was the human cost of this event? The trauma of this event impacted not only Anup's self esteem, but also the family and the organisation. Anup's family was supportive and by his side. But imagine if they had given up? What if they had nagged? Imagine the impact on the children, the discord and the pain of one wrong decision. It is such decisions that make recluses or alcoholics. It is difficult to trust people if you have experienced early on that people will be unfair to you. Such decisions build paranoia in people.

What about the organisation? An or-

that point, Binoy, said: "Oh! Anup! He learned whatever he had to from me, do not worry, there is no competition." Param, Mandeep and a few others reached a consensus that there was nothing to worry about at all.

Anup recognised that there is always more to life than work. He valued his family immensely for the support they offered him. His child learned that it is all right to face problems, one can always find solutions to difficult problems, if one sat and thought about things. Siya continued her support, happy that Anup did not have to put up a facade of a brave man all the time. We are all a bit vulnerable. You do not have to jostle and brag merely to survive.

A Tale Of Great Expectations

Solstice, a young firm, is torn apart by the divergent visions of a young bright set and an older experienced one. How can the twain meet?

This case study was first published in BW, 24 December 2001

■ MEERA SETH

SHIV Bhardwaj clutched his forehead and groaned. A combination of embarrassment and guilt had worked its way to a stiff neck and a dull pain at the base of his skull. He had complicated his condition with quick remedies: an aspirin, neck exercises and a cup of black coffee. Feeling woozy, he stepped out of his cab warily, hoping the scene, which he had been witness to a little while ago, and which had triggered off his condition, had dissipated. It had. The six consultants, who only 45 minutes ago had flung angry words around, had withdrawn, exhausted, into their cubicles. A strange calm pervaded the halls of Solstice Consulting Services, punctuated only by keyboard clicks and the drone of the printer.

Shiv declared it was time to get help. He called Joe Vaz, a friend of long standing and an HR consultant, and said, "We have to talk." Shiv was a senior manager at Solstice, a fast-growing consultancy firm in Bangalore. Shiv, who had been among those who had established Solstice in 1998, looked after human relations, recruiting, quality control, and client planning and management. Shiv was not a qualified HR person — he had worked for 12 years selling soaps and detergents, training sales staff and writing manuals. He chose this role until Solstice had found its foothold in the ruthlessly competitive industry.



"Just hear me out and suggest what direction I should take to bring about a sense of tolerance and harmony at the workplace," he said to Joe when they met. "I am coming straight after witnessing a horrible scrap between two groups at the office. Kamal, senior consultant, asked the pantry to stock a different brand of tea. It was as simple and trivial as that. Two consultants, who heard that, remarked, 'This is not a coffee shop with a menu.' And thus it took off. Five of them on one side, he on the other side of his cubicle, and they were hyper ventilating. Embarrassingly enough, it came to angry, loud words. And others just stood by ... either it was shock or the numbness that these kind of events leave you with. No

one offered support or tried to defuse the situation.

"What bothered me was that we did not handle it well. I feel something more was called for then, something more serious in terms of an intervention was required, but we were paralysed. Frankly, this was the first time I was witnessing anything like this in an office setting and I recall my mind only observing shock and embarrassment. I wished for the situation to end, to abate, for someone to laugh or crack a joke. But I was unable to invoke the manager in me. That embarrasses me.

"At this point, I must tell you that Kamal is a direct recruit at the senior level. Now just get used to some terminology. At the entry level we have trainees, at the middle level we have consultants, above them the senior consultants, and even above are the directors. So Kamal's direct induction is a fact resented at lower levels, which have a strong group of consultants, many of whom have been there since inception and played an important role in setting up Solstice. But more of that later.

"The fact also is, while Kamal is a good systems and IT person, he is not top-drawer material. And this has become a bone of contention with the middle level that feels Solstice, in its



'What direction should I take to bring about a sense of tolerance and harmony at the workplace?'

haste to bag jobs, is compromising on quality.

"Now let me explain the nature of our industry and the size of our firm. We are a small firm with 50 people. We have no branches or other business divisions where say, if you are not shining in division A, you can move to division B and maybe shine there. All work is consulting work and most people, except those in systems, are multi-skilled. There is a difference between projects, but the kind of work is similar.

"Thus, to an extent, perceptions of competency are based on the narrow field of work where you are. We restructured the company last year, since we have now more systems and marketing work.

"We divided the business according to the nature of work, so we have systems, marketing and sales and HR, which is a lot about com-

pensation surveys. The heads of these businesses are our top-level management. Every division has a top level too, made up of senior consultants at the senior level and consultants at the middle level. It is between these two that we have a problem."

Joe was listening with a keen ear. Dropping two cubes of sugar into Shiv's tea, he said, "And what did the restructuring do to unnerve the middle-level management, to make them seem so angry?"

STIRRING his tea, Shiv said, "Earlier we did not have business divisions. But for systems, which has a strong IT/finance need, the other assignments were planned by the CEO and teams drawn up by him. So you could have an assignment with three consultants and no senior consultant, but since the assignment itself was being managed by the CEO, no problem was perceived. But, in the process, one of the consultants soon came to be seen as the chief consultant for the assignment and that gave him a perceived seniority.

"Now post-restructuring, we have a layer of senior consultants in every division and every assignment will necessarily have a senior consultant to head the team and plan the assignment, as the divisional head is only overseeing, throwing in periodic inputs, and providing overall direction to new business. Nothing extraordinary, for this is how most companies operate.

"In the earlier scenario, very often a consultant led an assignment that was periodically overseen by the CEO. Then we had a few quality problems and debates, so we decided that there should be a senior on every assignment. Now a senior can lead three assignments, but the operational issues are managed by the consultants who are more clued into the assignment. But when the senior decides to do a few checks and controls on the assignment, trouble begins. The consultant, who is so comfortable in his position as the quasi 'in-charge' of an assignment, at least as far as the client is concerned, finds the senior an intrusion. That is when he questions the competency and worth of the senior.

"Now also know this, a senior consultant is typically 28-30 years old. The consultant is 24-26. The consultant is, therefore, more mobile in the job market, he can drop us and the assignment, and walk away into a Gillette or BPL; whereas the senior at 29 or 30 is that much less mobile and is left holding an assignment where he does not have full information, no notes, no leads to where the assignment stands, nothing. Because the way it works is, most things are held in a consultant's head and flow out only

when he writes a report!

"What has irked the middle level is the direct recruitment at the top level or at the senior consultants' level. Earlier a consultant grew into a senior consultant. So there was always that promise that the road ahead is clear. And in a growing firm, it falls nicely in place. You grow, the firm grows, so there is more room at the top. But now when the direct recruits are coming in, there is a lot of insecurity for the older employees."

"So what happens to the consultant? Most of the divisions already have three senior consultants each. Is there room at the top, either for these seniors to move up and vacate some space, or at the senior consultants level for a division to have more of that kind? The answer is, it's expensive and those levels cannot operate as parking slots."

Joe had a second cup of tea and said, "And why do the middle level feel poorly about the senior consultants? Is it because they feel their chances of growth have been blocked by direct recruits?"

THAT'S not true," said Shiv. "For example, I did ask two consultants to move up and take on the senior role. I thought, with a lot of support, they will find their foothold soon. But funnily enough, the two men I asked said no, that they were not fully ready for such a senior position. This ability to recognise that they did not have the wherewithal to be in a senior slot is what I find very heartening. They could have said yes, but it was their belief that the company needed someone better, stronger, and more experienced. They are an honest bunch of people. That is why the current tension is hassling me so much."

"I think it has to do with their perception of what is good for the firm. And these four or five consultants have been with us since the company's inception. These people, who have seen the highs and lows, feel that they have brought the firm up to a level of competency. And we do believe that competency goes beyond mere skills. These men did most of the donkeywork and felt great pride in being among the first who saw the birth and shape of the firm. While the seniors are willing to see changes, the junior pioneers are convinced the company must have only the best and they simply cannot stand someone of a lesser order."

"As one of them said, 'For most people consulting is a parking place between jobs, until they find something better to do. So they come, feign great commitment to the art of consulting and leave within a year or so.' That's the way they see it. They feel consulting is a kind of job where, even if you work for a year, the value addition it accrues to you is tremendous, because not only are you working at the top end of market operations and happenings, but also because you are getting a wide cross-section of all in-

dustries. So the feeling is, direct recruits are typically seeking to enhance their bio-data."

"Another said, 'I love this firm, and I want to be proud of the top. I take great joy in celebrating every new business we get, we sit together and look at costs and prune it, but these newcomers have come from readymade organisations into another readymade organisation and they have not seen what it takes to keep the firm looking so good. They still crib about cost-cutting, about increments.'

"So it's not simple pride; it's this anxiety that the firm is now moving into the hands of people who will not be the guardians of the values of the firm. For example, we have a quality control team, whose critical job is vetting every proposal and report that goes out of the firm for language and vocabulary, vocabulary that is sensitive to our firm ethos, for what we stand. But they feel these new seniors do not care about that."

"What I see is this: we are a very young firm, formed by people who are between the ages of 26 and 32 with stellar academic backgrounds. They are a very high-voltage group with a vision of where the firm should go. Then there are many seniors in the firm today, seniors because they have worked in other companies, or in terms of age, experience profile, etc. who feel differently about how the direction should be set. But in the organisation they are unable to give a compassionate or intelligent ear to why the middle level feels the way they do, wanting to do things differently."

"Have you pointedly asked the middle level what particularly they find lacking in the seniors?" Joe asked.

Said Shiv, "I have attempted, in my own way, to help the middle level harness their feelings whatever they be, channelise their vision and then empower them to take the thought in the right direction and, through that, take the firm towards its destiny. Because I strongly feel they are the managers of tomorrow and their empowerment is very critical."

For example, last week, one consultant, Vaithee, said to Shiv, "They have a fixed way of thinking and no creativity. If anyone comes in with a new thought, they will not even hear because it requires validation and they neither have the time nor the inclination to check out a new thought. So what they produce is the same thing that was churned out five years ago. If client A has a problem with supply chain then they have pat solutions coming out of their encounters with a similar FMCG firm. If I were to say, 'Let's look at it differently', I will get the look you give a dull person. Or it could be that they are afraid of someone else coming up with a bright idea, which they cannot take credit for."

"Very simply, take a new field like Internet marketing. Where is the new thinking going to come from? They read papers and

articles and come up with solutions. But things have changed. The principles may be the same, but the application has changed. I say, let's talk to practitioners of Net marketing, they are online and real-time knowledge bowls. But they almost appear to want to protect the brick and mortar world! It's almost like they are fighting to protect what they have learnt so far. It is a new product and begs a new way of addressing. But no! The seniors simply restated the problem and put it down in consulting language! They don't even recognise that the world is changing."

"The client is in an e-commerce world and what we as consultants need to do is show him the e-world, the possibilities, the potential. But to

What has irked the middle level is the direct hiring at the top level. Earlier a consultant grew into a senior consultant. There was the promise that the road ahead was clear



do that, you yourself need to know what the world is, right? If you haven't been to France how can you tell me about it? Looking at travel brochures?

"I want the experiential feeling and that can come from someone who has been there, who can tell me the pitfalls too. But what if I say, why go to France, go to Fatehpur, you will have a lot of fun! That's what they are doing. They say, we have experience, we have done this before, and we know how it's to be done now."

Shiv sighed, as if the mere act of recalling this conversation added to his agony. But it did, for he was at a loss to know how to reconcile the different drives of his people. Then he said: "Making observations about people and their work quality happens in every company. The difference is that in larger organisations little events remain small incidents and get concealed behind doors. In small places like ours, every event is magnified, open to all, the whole organisation is a group and nothing remains private — everything happens in the open."

"Now, I have a problem. Competency levels are not going to be uniform at Solstice, that's a fact of life. I know organisations would like to have all top-drawer material, but I have geared my mix and have, I think, the right calibre for the right role. Now if this sort of intolerance persists, people like Kamal are going to leave and I will have only stars! The fact also is that the new entrants are terribly bright and raring to go. And, it's also true that we consciously take top-drawer people at the entry level because it gives a great push up. A leap forward, both for them and for us."

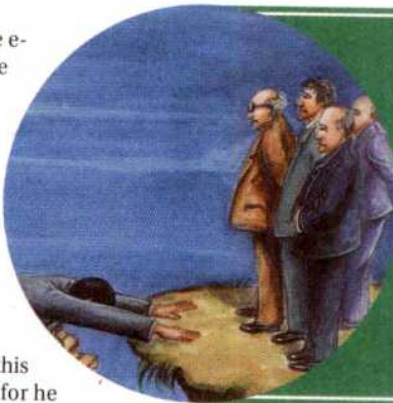
"Just look at the psychological aspect of such a situation. You go to campus and hire three new entrants. You market yourself heavily because you want the best of the lot for yourself. Then you make very tall promises like, 'You can hope to head the firm in four years.' Now you tell that to a young man of 23 and what do you get? You get him and you get his dreams and his haughtiness."

ALL these youngsters come with stars in their eyes and no experience of how an organisation can allow the co-existence of a team of mixed strengths. And providing such an environment in a new or young firm, where there is no time to ponder on culture, values or ethics, is simply impossible. Yes, I want all that for this firm, but how?

"We are three-years-old. There is much turbulence. I have a top management team made up of jet-setting, hi-flying biggies from other FMCG companies, whose mission in life is to take Solstice up the charts. Being where they are, they do not see the need, rather are not even aware that interpersonal skirmishes and intolerance can be hazardous for our growth and sustenance. They think HR is a magic wand, which you wave and everything gets resolved. 'What is HR doing?' they ask. Good question. HR is a one-man, 20-hour-a-day show that carries two mobiles, because there are always fires to be fought. So when that skirmish happened this morning, the CEO buzzed me and said, 'What was HR doing when there was a fire for all?' Eh? HR was defrosting!"

"And while I defrosted, I sat and put down what is making my role difficult, and I said, I need to overhaul this place, turn it on its head and, at a point, also be able to tell my top management what they are doing wrong."

"So what happens? This: the bright ones feel we are not a good firm because we have allowed co-opting some not so bright peo-



Making observations about people and their work quality happens in every company. In larger places little events remain small incidents. Here, it gets magnified

ple. If I do not find a way, then either the likes of Kamal will leave and we will have a bright organisation, with 10 stars, aspiring to be CEOs — a lot of strategy but no implementation, because we will have no doers! Or do I allow this frustration to grow and see my stars leaving, many of them loyalists, and hand over the firm to the likes of Kamal? This is my dilemma: Do the best remain and the rest leave?"

Joe nodded, musing over the issues, then he asked, "And what do the seniors have to say about the middle level?" "They find them weird," said Shiv. "That's what they say. The younger lot doesn't conform to a set pattern; you have to leave them alone if you want performance. They don't like being monitored, controlled, policed, etc. For example, we have this brilliant consultant, Jainath. He has a good mind and a tremendous knack for homing in on the problem. But while he is so good, he stops there. He will not work beyond that. But when a crisis happens, he is your man. You want a presentation at 9 a.m. and the team has failed, Jai will be there sharp at nine and deliver a stellar extempore presentation. Your proposal is not ready? He can put it together for you in an hour."

Therefore, we have figured out that Jai can work only in a crisis. On an ongoing basis he appears to be bored. He will walk around the office, eat Pan Parag, check the pantry... and while away time. He has to be in top gear to perform. Put him on a team and he is a disaster. Leave him alone, and he is a virtual ready-reckoner of solutions. Make him work and he withers. Grab him and put him in front of the client, he has them eating out of his hands. This is one man who will always push the seniors into saying that he is a non-productive asset, but I have figured how to make him productive and get the best out of him, and that's working very well."

"So you see, it's a very high-voltage, highly-charged team. And as high-powered, charged things go, all of them are very sensitive. How do you manage people like this? Someone once said, it's a sign of the times. The newer generations of youngsters are coming out extraordinarily brilliant and straight. They are simply there to produce miracles and ensure excellence. Their perception of the world is very different."

"Now, you have to advise me. They are all a good bunch of people; each one, senior and junior, the good and the not-so-good, and they are all good for the firm. If I were to map the emotional climate of the firm, I would say there appears to be a low morale, a sense of dullness, frustration and we are wondering why. The seniors are capable, competent, orderly, driven and dedicated. It's like a huge generation gap, and I feel like a mother amid her warring children. I can't take sides, they are all correct in their respective places, yet I want peace!"

ANALYSIS I: C.N. KUMAR

Looking Inwards

An alumnus of the Tata Institute of Social Sciences, Mumbai, C.N. Kumar is chief executive of Advantage, a Bangalore-based consulting firm that provides incubation management services. Prior to starting Advantage, he was the HR director for Texas Instruments in Bangalore.



NAMAS BHOJANI

SOLSTICE faces the same challenges as any growing firm — an orderly transition from infancy to maturity without losing its core ability to deliver value to the customer. The topline issue is to create and communicate a shared vision. Translating this vision into tangible focus areas and measurable goals through employee participation is the next step. The team needs to re-engineer its structures, systems and processes to meet these needs. The most important challenge is how to create a firm that is growing and evolving and to recognise the things that need to be done differently to get ahead.

The bottomline appears to be that Solstice does not involve employees in developing plans for growth or changing ways of working. The communication channels are choked. These seem to be a common thread and a major cause for organisational conflict. A good example is the restructuring of project teams.

Shiv should plan a multi-faceted long-term intervention as well as handle some immediate fires. Shiv would need to get the buy in of the top management team before he moves ahead. It is better if he ropes in an outside organisation consultant to facilitate the change.

Shiv is lucky in that Solstice is a small firm of well-qualified employees and he can get all of them to participate in managing the transition by turning their consulting skills inwards. A good case of doctor heal thyself first!

Backed by a SWOT analysis, the first step would be to get the senior management to share their perceptions of the current state of the company and where it is headed at an all-hands meeting. Once they have arrived at a shared vision, Shiv needs to get all employees involved in a diagnostic step. Working in small cross-functional and cross-hierarchical teams, all employees could answer the question: what are we doing today that needs to be continued, stopped or changed? There would be three focus areas for this: employees, processes and customers.

The consolidated inputs of these teams

would help understand the current state of the firm and sensitise employees without preaching. It would also bring out into the open issues causing people and the company disharmony and get their commitment to change the way things are done.

Shiv also needs to sort out the short-term issue and address the fallout from the skirmish in the office. This is best handled by getting the consultants and Kamal together to talk about what happened and how it can be avoided. The basics of office decorum have to be communicated and understood at this meeting. People should learn to disagree without being disagreeable.

It is clear that the organisation will continue to hire new employees from outside to grow. Shiv could advocate involvement of employees across levels in the hiring process. After people join, they should seamlessly integrate into the workplace.

interpersonal skills of all employees through a formal structured programme. The options are varied and could include work teams that are self-managed, opportunities to participate in several projects at the same time, and the like.

Solstice also needs to look at the way in which projects are managed from proposal to delivery. Project management seems to be based on individuals and the firm runs the risk of being left behind or not capturing learning if it continues the same way. It needs to institutionalise common project management methodology. A good idea would be to have successful project teams to make presentations to share their learning at the end of each project. Documenting the effort would help preserve the consulting experience.

Managing career expectations of employees is a challenge in a consulting organisation. The firm needs to explore al-

Solstice needs to help its employees develop good consulting skills through training and experience sharing. One way to do this is to get teams to share what they did differently in every project

Starting with a formal programme, Solstice needs to create opportunities where all employees can interact in work and non-work situations. It could include things like regular "what is happening in our project" meetings, "let your hair down" parties, office picnics, etc. These would go a long way in helping employees develop mutual professional respect, contribute to the quality of output of the firm as well as improve personal relationships. If employee teams were asked to organise these events, it would develop their team skills too.

Team skills are lacking at Solstice. There seems to be a divide with the older employees ranged on one side and resenting the induction of fresh talent. Shiv needs to develop and sustain the team and

ternative career management practices that are non-hierarchical. This way employees who have developed specialised skill sets are recognised for the value they bring to the table rather than their position on the ladder.

Consulting is a mix of responding skills and prescriptive skills. The customer expectation is that the consultant will use his understanding from past experiences while recognising differences to provide a unique tailor-made solution. Solstice needs to help its employees develop good consulting skills through formal training and experience sharing. An effective way of achieving this is to get project teams to share what they did differently in every project they handled.

Shiv has an interesting task ahead. ■

ANALYSIS II: SMITA ANAND

Growing Pains

Smita Anand heads HR consulting in the human capital services practice of PricewaterhouseCoopers.



TRIBHUVAN SHARMA

A potentially exciting growth situation has invoked the most unexciting — even negative — responses from an intelligent and dedicated group of employees. This is, perhaps, a classic situation of errors of omission rather than commission.

While analysing the reasons for this problem, we come across the obvious but often ignored aspects of the need for an organisation to manage change in a planned way and of ensuring that its people, policies and structures are aligned in a manner conducive to its business objectives. On an individual level, people don't usually like change. However, they must accept it.

Considering the breadth of its services — systems, sales, marketing and compensation — Solstice has rightly responded to growth needs by initiating a move from developing generalists (which may have sufficed in a smaller business context) to specialists (who need to be hired since most existing consultants are 'multi-skilled').

They are rightly introducing "checks and controls" (attempts to institutionalise quality) but "that's when trouble begins". The group of young and motivated consultants is getting "unnerved and angry" and, therefore, is resistant.

There is a logical case for inducting additional people, but a problem arises while defining what those people should do, at what levels, and how. And what about identifying leadership potential amongst the existing people? The firm's young consulting force worked well in creative and challenging situations. Instead of having a ready band of brothers, the new generals see an army of disgruntled and demotivated soldiers.

Shiv's narrative possibly reflects and summarises the organisation's perspective on how it planned and responded to growth. It reflects concern for the people, but it does not professionally address the causes of the real problem. It is an emotional analysis of the possible reasons for the conflicts and the attempts at resolving the situations seem to have invoked relationships and feelings more than logical reasoning and plans. Chances are that this

is reflective of the overall management approach.

Solstice is poised for big growth and the existing organisation needs to exploit its strengths in order to achieve its predetermined growth targets.

Everyone at Solstice must share their ideas from the lessons they have learnt and from their external perspectives and experiences. The HR must share its concerns and observations. The team must come together for a team-building and visioning exercise and thrash out a common vision for the firm. Shiv is in a position to help others assess how "ready" they are for the kind of change that is being visualised/implemented. This analysis must not be limited to HR's informal perspective. It could be a sensitively executed self-assessment exercise for the employees to see where they stand vis-a-vis their own individual (and, therefore, collective) ability to accept and work in dynamic situa-

out larger gameplan that would be to everyone's advantage in the long run. Planning and communication are part of this gameplan and leadership is at the helm of it.

As for the gameplan, some answers need to be worked out — if the consulting focus is going to be to specialise in four areas of consulting, what is the market strategy going to be? How will work be distributed internally? What would be the job of the seniors and the other levels and what would the project management norms be? What will every level do to make business grow and how would they grow with it? How would performance be evaluated and rewarded? Can there be active leadership roles or, at least, visible paths for the younger lot?

The system is crying for clarity in roles and a framework that will link up with fair performance management, so that everyone sees a visible and exciting growth for business and themselves. Credibility will follow clarity.

Solstice must get together for a team-building and visioning exercise, and thrash out a common vision for the firm. Shiv is in a position to help others assess how ready they are for change

tions. Resistance because we are not 'ready' or able to deal with change is an insidious, self-destructive emotion. Also, as they say, "The most difficult behaviours to change are those responsible for your past success." A mirror helps.

HR needs to partner with the top team to identify key individuals who are either positive or negative influences within the system and work out a strategy to leverage the reach of the influential supporters and focus on converting or neutralising the impeding forces.

Resistance stems from real or perceived threats, and if the system can confront these, the transparency would definitely soften the climate of mistrust that is building up. Therefore, the firm needs to show that the changes are a part of a well thought-

Finally, for the sake of Solstice, I hope Shiv's well-meaning ownership of the entire situation is just by way of speech. HR is but a strategic business partner integrating business and individuals. All the business leaders must be energetically involved in this. For those daring to grow and succeed, what is needed is a cohesive leadership team, knowledgeable business partners, unflagging coaches, fair referees and tireless runners between the wickets.

The 'credibility gap' that has arisen because of the new inductions at the senior levels could well be attributed to the unique pressures of the knowledge industry, where managing young minds can sometimes be mind boggling. Also, Solstice's plan for growth needs to be aligned with its business strategy.

V.S. Sitaram is vice-president (corporate strategy) at the London headquarters of the \$47-billion Unilever — one of the largest FMCG corporations in the world and in India. In his current role, he is responsible for pulling the 'Outside' into Unilever and shaping the strategy of the company. His professional interests are focussed on developing insights on business issues involving the consumer and the customer.

As head of sales of Hindustan Lever (HLL), first for Personal Products, then for Detergents, he has played a key role in building HLL's leadership in customer management. He enjoys reading and playing golf.

MOST retailers in India are in the property business, not in the business of creating sales and service experiences. The eight cases that I have selected cover a four-year period from 1998 to 2002. They provide a wonderful opportunity to think about some of the changes that are blowing through the Indian market place. Changes that provide game changing opportunities for value creation and, equally, for those of us who like the security of a head buried firmly in the sand, an opportunity to throw it all away.

I see in these cases many issues that corporate houses and entrepreneurs alike are grappling with today, as they have already started impacting their performance. Some of the issues I see coming through these cases are:

be a voyage of discovery highlighting the huge opportunity that lies ahead in differentiating brands on the basis of the quality and reliability of the service offerings in the products sold. At the same time, it highlights the challenges that culture, processes, systems and training pose for those who would venture down this road. Success will lie not only in the creative design of the service, but also in the attention that we pay to the detail of its implementation, and in the service ethic that we instill in the whole organisation.

Indeed the case asks whether your organisation is truly ready to place the customer at the centre of the business. "A sale is in fact, never complete. It remains alive during the life of the machine and the buyer. The customer is forever and we must understand that that cost is the most critical investment for the next sale.... It is a relationship we will forge and sustain like our relationship with our employees."

Saying this is, of course, much easier than making it a reality, as Deepak Sahi realises in the case of the 'Drifting Dealmakers'. Rewards and punishment systems and organisation cultures are strongly transaction-focussed in most organisations and concepts like lifetime customer value have no place. Organisations would still value the salesman who can sell refrigerators to Eskimos and not the one who comes back after having advised the customer to place a smaller but more appropriate order because he is building an enduring relationship.

Deepak asks his super-salesman boss Munim: "What's our role? Shouldn't we advise our customers correctly? If we build



Sales & Distribution

● What's the consumer really buying now?

Product or service?

- What sort of relationship do you want to build with your customer? Transactional? Or sustained, life-value oriented?
- Who pays for brand building — customer or seller?
- Where does retailing actually create value? Through retailing assets? Or through the retailing experience?
- The war for the consumer's money. Who is winning it — retailer or brand marketer?
- Where have the heady days of growth gone? If it is not to your competitor, who is taking away the consumer's money?
- What are the challenges that lie ahead for corporates as new retailing formats develop?

The first case in this selection is about listening to customers and thinking about how expectations are changing. 'Customers Are Forever' showcases a debate at Crysta Industries — which sells white goods — about retaining its customers and leveraging these relationships as it enters new categories. The top management team sets out to meet users of durables to understand their experiences with different brands and to bring this knowledge back into designing their customer retention programme. This proves to

trust today, tomorrow, when their business grows, they will trust our judgement when we advise them to add more office equipment." However, Munim is focussed on his targets: "See what liberalisation has done. Today the customer is right even on price. They want a good financing plan, a good price, prompt delivery, good after sales service, even free paper rolls!" Deepak Sahi is sacked soon after. Cultural misfit, did you think, even as you read the case, or a man ahead of his time?

So how does a service business create value for its customers? Akash Khurana, who is toying with the idea of setting up a chain of hypermarkets in India, gains some interesting insights into this issue in 'Demystifying The Retail Bonanza'. His friend Shishu Pant believes that in a situation where most brands have reached parity on technology, it is the consumer's retail experience of the brand that is becoming the key success factor. He argues that cultural values are crucial in determining the ability of businesses to be true service providers — the vision to go beyond assets, invest in human resource development, an emphasis on the ethics of dealing with customers, etc. and not ownership of assets.

A sale is never complete. It stays alive during the life of the buyer and the machine. The customer is forever and investing in him is most critical

However, Shishu opines that most retailers in India are in the property business, not in the business of creating sales and service experiences. In his analysis, Vivek Mathur agrees with Shishu's view that the Indian retail environment is a disaggregated one, but does not agree that this is a showstopper for a potential investor.

He points out that most of the serious players in the organised retail space today opt for self-operated stores rather than going in for the franchising route. They can then truly differentiate themselves from the mass.

Then do asset-oriented retailers deserve the margin that they make? Where is the battle for the consumer's buck headed? 'When The Tail Wags The Dog' takes a serious look at the role that the retailer plays in brand choice decisions. Sushil and Radha worry over how brand marketers are digging their own grave by diverting brand-building money to ever increasing retail margins. "He (the retailer) is simply breaking bulk. His contribution to the supply chain is virtually tending to zero." They face up to the fact that marketers are abdicating their responsibility to create differentiated brand propositions and are attempting to buy short-term marketshare instead. In the process, they land up building a future world of branded commodities.

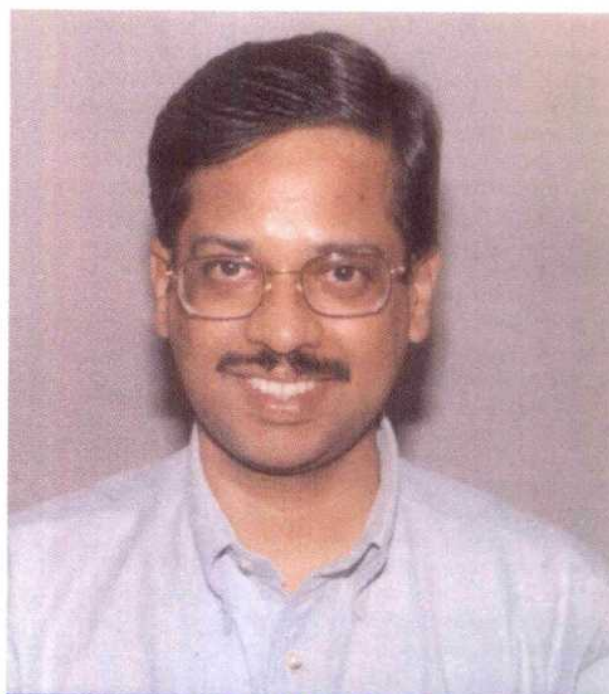
In some interesting comments on the case, Utpal Sengupta and Rajesh Jejuri maintain that push and pull are indeed complementary strategies. And both of them need to be mixed judiciously, depending on the relationship of the consumer to the product category. Most categories, they say, have two segments of consumers:

- The 'indifferent buyer', who typically seeks generic category values and accepts a brand from one among those in his consideration set. Here, the role of pull is to place the brand in the consideration set; retail push is crucial to convert this to sales
- The 'discerning buyer', who looks for offerings beyond the generic. He would be well informed on offerings in the market. He processes the information he has collected along more complex, emotional dimensions. The retailer's recommendation is one of the inputs into the buying process but brand pull is critical to create differentiation.

In such a scenario, equally important are the capabilities of the marketing organisation:

- A cost leader can go target the 'indifferent buyer' aggressively since price and high trade margins are key success factors. In more developed markets, big retailers like Tesco and Carrefour target this segment aggressively with their own brands of frequent purchase, highly-functional product categories. In India, too, FoodWorld has launched its own brand in many categories.
- A leader of innovation or an organisation with a high level of consumer intimacy would tend to target the more profitable 'discerning buyer' segment to create differentiation. Interestingly, there are many instances where the retail environment is used to create the differentiation. Lakme's chain of beauty salons is one such instance.

However, even in the disaggregated world, not all retailers are alike: there are those special ones who do stand for some specific values. They seem to attract more customers than others do. And over time,



V.S. SITARAM

they seem to become brands in their own right! MTR in Bangalore has been a classic case of a small restaurant leveraging a well-deserved reputation for authenticity and bringing in new technology to become a grocery brand with a large range of MTR food products.

The opportunities that this transformation creates and the competitive compulsions to grow throws up the dilemma of 'Who Pays For Brand Building?'. Building the Neel Kamal Electronics retail brand requires upfront investments in store renovation and advertising, higher salaries, training and IT. Rajkiran believes that he should recover the cost through higher consumer prices. As his consultant says, "You have such a good name in your city, that your kind of consumers won't mind paying that 1%." But his father worries: "How do I continue to say that I am giving best value for money when... I'm charging extra to pay for brand building?"

As you go about reading this case, ask yourself: who understands the brand better, what is the brand proposition that Rajkiran is seeking to leverage, are the investments strengthening this proposition, is the issue of raising prices an ethical one or one of good business sense, and are there other options to finance the investment?

The relationship between retailers and consumers is changing fast. Retailer concepts, using IT, are entering India to address different consumer segments. This has been aided by a liberal economic environment.

We see Web-based shops targeting the 'time poor' consumer, supermarkets offering enhanced choice to the experimentative, more affluent consumer and discounters cutting their margins to the bone while they

By not creating differentiated brands and buying short-term marketshare instead, marketers build a world of branded commodities

chase the price conscious consumer. We see the emergence of category chain stores — bookshops, clothes shops and the like — that are offering category expertise in multiple locations.

Three fascinating cases in this selection offer insights into this trend from different directions. 'Who's The Customer' debates the difference between a purchaser and a customer and concludes that for a fast-moving consumer goods company, the retailer is the customer and the stockist is a partnering agent who helps the company service the customer.

This simple (re)definition has large ramifications — it shapes how the customer management group of the company is organised to drive sales through its customers, how the company should impact the decisions of the retailer such as product and brand stocking decisions, how retail channels should be segmented and how trading terms, service levels and promotion packages are targeted at different channels.

A large customer is always more important than a smaller one, but when the nature of one large customer's business is itself different from that of another, it becomes very important to create visibility for this difference within the company and the capability to proactively respond to these differences.

Self-service supermarkets are an increasing trend in most metros and in smaller towns as well. Shopping behaviour changes fundamentally in a self-service environment. Shoppers are more open to receiving and acting on information they obtain in the supermarket. Shopping is less pre-meditated and impulse shopping is an important part of the shopping decision. Overall, shopping is a more enjoyable experience.

There is obviously scope to utilise these insights to develop your business; equally, if you are not responsive to these, you could lose business. 'The Signs In The Aisles' picks up on the war for the consumer's mind and money in the most critical arena — the shopfloor. Issues such as where do you place your product message, what is the most advantageous stocking position for your brand, and others are debated — so, if you make the right calls, these make huge differences in how well your brands will sell.

In 'More Cash, But New Spends', "people are still buying, demand is obviously there", but Gerrico Products, where Mridul Mathur is head of sales, is seeing a slowing down of sales. Mridul believes that partly this may be due to an overestimation of sales of yesteryears as the company built up its distribu-

tion network and built up pipeline inventories. However, the bigger issues on the horizon are that consumers are spending their money on newer and more exciting categories every year and this means reduced spends on the older categories. Further, in categories like foods, more of the spend is happening outside the home.

How do you define your category, how do you keep categories and not just brands innovative and exciting, how do you access the consumer where she is consuming your category are some of the challenges that arise.

As I read these eight cases, I reflected on what these issues mean for business in India over the next few years. Each case picks up a trend and a trend can be a threat, but can be a great opportunity to change the rules of the game. More consumers, people like you and me, are standing up and demanding their rights. They are demanding performance — of product and service.

Retailers are often the providers of some of the service and we see a new breed of more responsive retailers entering the market leading the trend and benefiting from it. As they acquire a larger and more credible role vis-à-vis the consumer, their 'brand' equity will increase. Indeed, large retailers like WalMart and Tesco have acquired enormous credibility with their consumers by:

● Catalysing supply chain savings and

providing reduced prices;

● Offering incredible choice from soaps to clothes, to durables, financial products and petrol;

● Creating a great shopping experience; and

● Setting high customer service standards — 24/7 stores, no-questions-asked acceptance of customer returns, and the like.

Indeed, in the UK, 35-40% of FMCG sales are of the retailers' own-label brands thanks to the discontinuities introduced by these retailers. Own-label strategies are becoming more complex as retailers straddle multiple price-quality points and move from the functional to the more emotive, lifestyle positions in different categories.

The eight cases reflect an awakening and a call to action. There are a few organisations already out there that are reaping the rewards of a new paradigm of doing business — Jet Airways is clearly one such company. Will there be many more? Will yours be among these?

Brand equity can be built through low prices due to supply chain savings, offering wide choice and setting high customer standards

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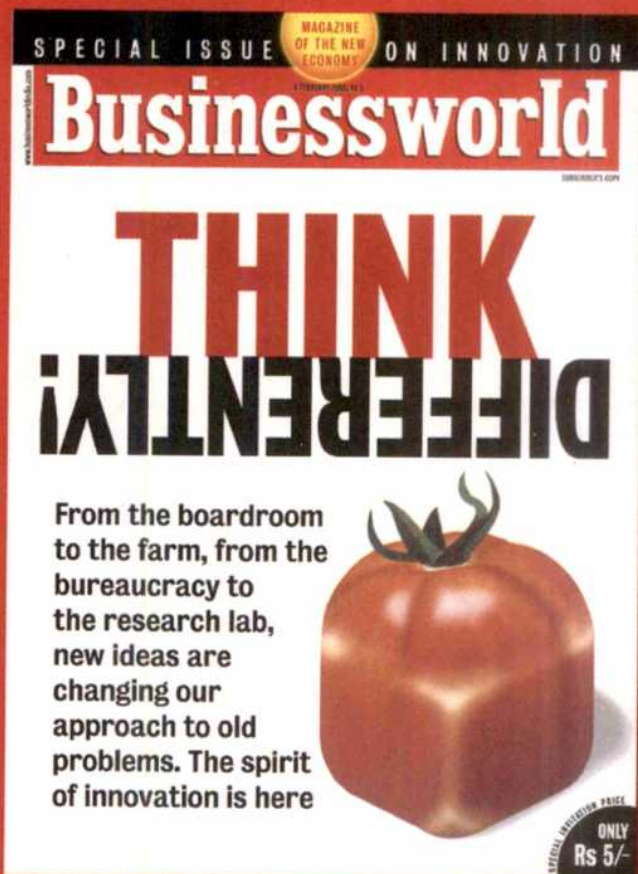
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Customers Are Forever

Many companies forget their customers once the sale is done, without realising that customer service is a key differentiator in a competitive market

This case study was first published in BW, 7 May 1998

■ MEERA SETH

TRIDIP Roy walked up to his hostess, Kavita Khanna. "As a good friend, Kavita, you must now buy a Crysta washing machine," he said with a laugh. Roy had recently joined Crysta Industries as its vice-president (customer services) and the dinner had been hosted in his honour.

Khanna's response was curt. "I do not want brand choices any more," she said. "A washing machine is a washing machine. From Videocon to Electrolux, they all just wash clothes. If there were differences in the quality of the wash, everyone would have upgraded their machines by now."

"What are you looking for in a washing machine that you haven't still found?" asked Roy.

"I want a company that knows how to handle a customer," she said. "So, don't tell me about computerised fuzzy logic or a noiseless drier. Tell me how different your customer service is. If your company uses an answering machine to record customer complaints, I am not your prospect."

That exchange set Roy thinking. In Khanna, he had seen a disillusioned customer, albeit of a competing brand. But he could see that Khanna was not likely to repeat her brand purchase easily. He didn't want that to happen to Crysta.

For weeks now, Roy had been thinking about Crysta's future. As more and more new entrants stepped in, customer interest was declining. Every machine that its rivals sold meant a loss of opportunity for Crysta. But that was a smaller issue. The bigger problem was retaining Crysta's customers and marketshare. Roy firmly believed that Crysta's success as a brand lay in customer bonding. The company had to build relationships, along with marketshare. Importantly, with Crysta planning to enter the areas of refrigerators and dishwashers, the market's faith in the brand depended on the image generated by the washing machine.

Back in office, he told his managing director, Abhinay Talwar:



"We already have a vast customer base. But when we launch our new products, will they choose our offerings over that of our rivals? Or say, eight years from now when they want to replace their washing machine, will they again buy our brand? Today, we are concerned about the inroads the competition is making. Our efforts should be aimed at retaining our existing customers by building a strong bond with them."

Roy had seen that customers were getting more and more aware of product usage, whether it was a Crysta washing machine or anything else. "Let us examine the common grouses that customers have with the servicing and product delivery," he said to Girish Vyas, the customer services manager. "Customer service is an integral part of product delivery. It is an assurance of product performance from the manufacturer."

Roy had a unique plan. "Since we want to ensure that our consumers stay with the brand, we need to find out why consumers change their brand, whatever the product. Let us meet 25 durables users, study their experiences with their current brands and find out if they are likely to buy the brand again," he said to Vyas. "Listen to every respondent carefully and tape her grievances if necessary. Then we will tabulate them across common issues. The more we build into our service what they want, the more difficult will it be for our rivals to eat into Crysta's market-share," he said.

Armed with the brief, Vyas set out to work. He met a wide spectrum of consumer durable users and listened to their experiences with their brands. Four weeks later, Roy heard the taped conversations of some of the respondents.

ARCHANA TULI (Owner of a water purifier): Look at my water purifier. Last week, a person came to my house saying my service contract was up for renewal. Mind you, that was the first time in 10 months I was seeing anyone from Purifo. I did not like his barging into my time without prior notice. But that did not bother him. He had a list to clear, never mind if I was in the midst of cooking lunch.

I asked him about the servicing, since under the maintenance contract the company should have serviced the unit twice that year. "You should have called the company," he said. But that was a preventive maintenance contract and it was for the company to call and take a date.

Finally, he set about servicing the machine. I found that his handling of the machine was rather clumsy. He dropped the casing twice and strewed the carbon all over the sink. I discovered that he was just four months old in the company. Before that, he used to sell plastic boxes. Is this what I get for being your customer?

Then he said the filter candle needed to be changed which I would have to pay for. That annoyed me. I showed him the contract,

which clearly stated that the company would replace the candle once a year at its cost. He did not know that. Would you believe that? Clearly, such service contracts are simply a means to make money. There is no attitude to servicing. He came because it was February and he had contract renewal targets to complete. He came without calling, expecting we would drop everything else to serve him. He had no clue as to what he had to give the customer for the contract. He messed up my kitchen and did not even attempt to tidy it up.

The worst was that when I started the machine, the water would not flow. I was furious. Purifo sends incompetent, inexperienced people to cut costs. I carry the responsibility of providing my family a safe, hygienic environment at home, so I am prepared to pay for preventive maintenance. But what did I get?

But it is a good product and I am an informed consumer who knows how to work around a manufacturer's inefficiency. I simply gave the service contract to a private firm. I don't want to have anything to do with Purifo.

RITIKANT SHARMA (Credit card holder): Every month, I receive a credit card bill and my payment is sent the very next day. Five months ago, the bill did not come on the 22nd evening as it normally would. I received the bill 10 days later with a charge of Rs 675 for overdue interest. I was taken aback and called up the bank. But the bank manager argued that the bill had been sent earlier. It was my word against his.

I wrote to Monet Bank, protesting against this undue charge. Eventually, after six letters from me, including one to the managing director, the bank "waived" the interest. But I was left with a bitter taste in my mouth. I wondered why the bank did this to me. Did I deliberately delay payment? I had this card for three years and not once had I defaulted on payment.

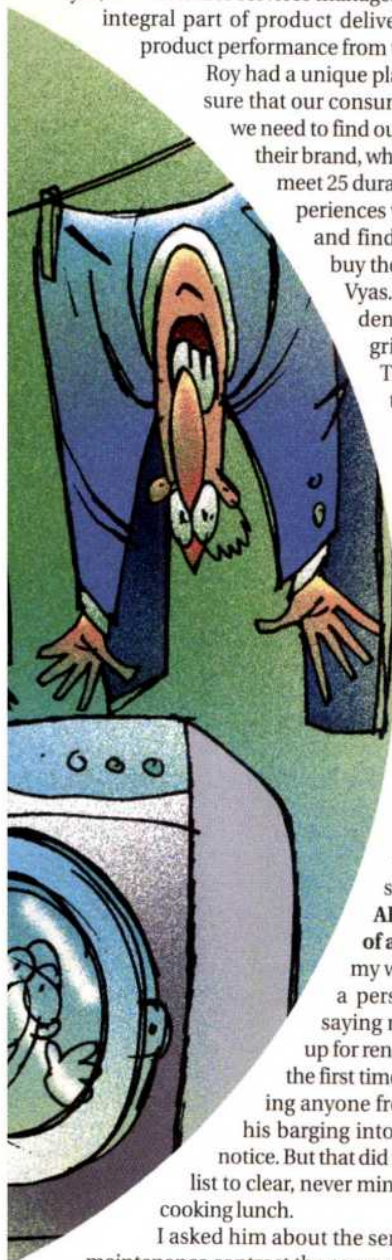
I also wondered if the bank considered the cost of this argument to me. Was it worth the Rs 675? Why was the customer not right this time? And what about all those times when I paid four days before the due date? I was amazed that the bank treated me like an errant schoolboy. Since then I have not felt good about using the Monet credit card.

Worse, every month the bill continues to show the overdue interest and every month there is a fresh exchange of letters on the matter. Only last week I received an invitation to become a member of another credit card company. I am planning to surrender the Monet card.

DIVYA MATHUR (Owner of a washing machine): You say I am an important customer of Crysta. Great. But for your customer service cell, I am just a number. For six months now, I have been having problems with the washing machine. Last month, when I called the customer service cell to follow up on an old complaint about the motor, the lady who took the call asked me to repeat the details: model number, date of purchase, and the like. When I pointed out that all these details had been given several times before and all she needed to do was check the complaint order number, her response was shocking. "May be, but I can't boot the system. I am only standing in for someone who has not reported today. So, you have to give the details again," she said.

Tell me, what am I getting for being your customer? Respect? Good handling? No. Now you come here and ask me personal details like family income, number of members, husband's designation. You still haven't told me why you need all this information. You are researching. Are you collecting this information to help me or your company?

Then there was the problem with the V-belt. Within a day of replacing it, there were some creaking sounds. The engineer said he



would have to wait for the senior supervisor to examine it. Reason? "We recently changed our supplier and all his pieces are turning out to be defective." I was taken aback. It frightened me to know that there was no quality check at your end. We outsource a lot of stuff for our garment business, but every button and needle is checked before it is used. We are not a multinational, just an old family-managed business.

RADHIKA IYER (Schoolteacher): That feeling for the customer is simply not there. The customer is not a person but a collective noun. If the customer was important, wouldn't my water purifier company tell me when it changed the service agent? When I called the number in my contract card, I discovered that the number now belonged to a courier company. I had to call the head office in Mumbai and get the new service agent's number in Delhi.

Is this fair? Or does it matter? I guess the company's attitude was: "If a customer needs service, let her break her back and spend money to find out who the new agent is." The only motives are profits and sales volumes. Not customer loyalty or service. Therefore, a customer is one who buys your product, not one who has bought your product. Once you've bought the product you are a 'has been'. Why would you want to invest energy in a set of people to whom a sale has been made? You spend energy as long as a sale is not made. Once a sale is done, it is for the customer to invest energy in sustaining his relationship with the manufacturer. Isn't that how it is? The manufacturer's attitude is – you need me more than I need you, so guess who should work harder?

And every once in a while, there is a new face at my door asking me if I own a Zento purifier. Dammit, don't you have a customer file? No, he says. We go from door to door. Splendid. Then what do you do with all the data you collect? And every one of these men asks me the same questions: when did you buy it, what is your model number, is it working properly? The worst is: "What is your address?" I don't care what the information is being used for. But I don't want to be disturbed for information which you already have.

We believe that because India now manufactures Coke and Mercedes, we have progressed. But this new market is no different from the grey market, where you can buy anything but cannot expect service. For instance, I bought a packet of macaroni which said I had to boil it in 250 ml of water. I did that, but after the prescribed five minutes of boiling, there was enough water left in the pan. I then boiled it for another three minutes, and the pasta dissolved into an unrecognisable mass.

One day, I met someone who worked for this macaroni company. I told him about my experience. He said I should let the pan rest for five minutes after turning off the heat. The residual water

would get absorbed. That worked. Couldn't the firm have said so on the pack? Or is it cheaper to let the consumer learn? Does the company use experienced hands-on cooks while designing these products or are they MBAs who can't tell a stove from a cigarette lighter?

I bought a jar of mayonnaise the other day. The label said it should be used within six months. Of what? Of the date of manufacture or the date of opening the seal? Do I refrigerate it or not? It takes us back to what I said before: once the sale has been made, the consumer does not matter anymore. The sale is not on the customer's involvement, loyalty or satisfaction. It never was; it will never be.

DIPANKAR BARUAH (Pager owner): There are numerous messages that are flashed on the pager to announce the sale of wedding suits, printers, shoes, or TV programmes, or updates on cricket scores. These messages usually send out a single, short beep. Only personal messages are announced with a long, continuous beep. Last week, I was distracted by six ad messages for a chocolate. And all of them were long beeps. It made me mad because I was in the midst of meeting clients and that kind of triviality is distracting.

The pager is a great device. It helps me catch messages, which I would otherwise have missed. But I don't want it to distract me during a meeting. Please respect my privacy. The pager is for my convenience, not for the convenience of callous advertisers. Now, I leave the pager with the secretary and she calls me only if the message is a personal one.

Tell me, has the advertiser benefited? He sought to get his messages across to 150,000 subscribers at one go. It appears to me that my pager has become a cheap medium for advertising. Since it has done me the favour of selling me the pager, the pager operator can pass on my personal details to advertisers without even asking me. The pager is a private medium of communication, not a public address system like a radio.

We have allowed a million new products to enter the country, but along with that, we have not allowed the market mindset to evolve or grow. Few people realise that the customer needs to be treated with respect.

BERYL DIAS (Owner of a laser printer): This printer cost me Rs 28,000. It was not funded by my company. I saved for it for a year. Saving that kind of money was not easy. I wanted the best, which is what I thought I got when I bought it. It worked very well and I know it is a good product. But that's where my ecstasy ends.

One day, the paper jammed and I needed help. So I called up the company. The lady who took the call said: "You will have to bring the printer here, we are not going to come there." I felt that was very hostile. I expressed surprise that their service engineers would not come to my home. The lady gave me a silly reason: "If your mixie breaks down wouldn't you take it to the service centre?" Maybe she took the liberty to talk down to me because I was a woman and I operated a home office. But there's a world of a difference between a Rs 2,500 mixie and a Rs 28,000 printer. But she was surly from the word go. Worse, their office was located very far from where I lived and going there would mean wasting an entire morning.

It was her surly behaviour that angered me the most. I recall how the sales engineers hovered around me when I had first contacted the company for a brochure. For three weeks, someone from the company would call me practically daily. They virtually pushed me into buying the printer. I remember I still had the last Rs 1,500 to save up, when they decided to give me a Rs 1,000 discount to hasten my decision. I was mesmerised by their sales pitch. Today, I am just a statistic. I

Tridip Roy was amazed at the results of the research, at the customers' litany of woes. Most companies didn't give any importance to customer service



can almost hear them saying: "You have no choice. If your printer is not working, that's your problem. If you live afar, that's also your problem!"

I had not considered the after-sales trauma when I bought the printer. I assumed that the company would come home to repair it, as other companies do for other products. They did not tell me about their service terms at the time of the sale. It was not important, I guess. For, all they wanted was my Rs 28,000.

To repair the printer, I went through an agent, who lost my complaint order papers, forgot to intimate the company about the part I wanted and made me wait for four weeks before the printer was repaired. Then I discovered it had not been repaired at all. I decided then that I wouldn't have anything to do with the company ever again. I sold that printer and bought another brand after ascertaining that there was a service agent close by. My old printer was state-of-the-art, but the real differentiator is the effort a firm is willing to put into customer service.

VAIDEHI CHARI (Owner of a dishwasher): I was looking for a dishwasher and visited several dealers. Although an advertisement had announced a festival discount on a particular brand, it was not available anywhere. Then I found one dealer who had a display piece. But he knew nothing about the machine, its capacity, its water consumption, or even its ability to work under low water pressure. He did not even have the product brochure. Even as I asked him questions, he walked away to attend to another customer.

Eventually, I bought another brand, for three reasons. One, it was affordable; two, it was a desktop model; and three, because it washed dishes. But the sale was made not by the salesman, but a friend who was a satisfied user. Strangely, she had warned me that the sales staff knew nothing about the product.

The demo was sketchy — I was left to learn a lot on my own about stacking the dishes, about rinsing, about pre-wash, about different brands of detergent. The detergent pack simply said: "Follow manufacturer's instructions." The manufacturer did not have enough copies of the instruction manual. I feel that manufacturers today know only how to make a sale. They don't know how to handle their customer after that.

HALOME VAZ (Owner of a music system): I think poorly of the new entrants, which is why I refuse to buy any of these new music systems. My brother bought one of these complicated CD players from a high-flying Japanese company. A year later, one of the speakers developed a fault. When he took it to the service agent, the engineer charged him Rs 900 for the service. He kept the system for four weeks and returned it saying he had put it back in order.

Three months later, the same speaker failed again. This time, the engineer said a particular part had to be replaced and that would cost us Rs 4,000. When you pay Rs 16,000 for a CD player, you had better be ready to pay for expensive parts. But when the bill came, the engineer had again charged Rs 900 as service charge. That was when we got mad. The last time, he had simply made do with the old part because he did not have stocks of the spare part. How were we responsible? Why did we have to pay Rs 900 again? The service company stood its ground. As for us, we wanted our Rs 16,000 player back so we grudgingly paid the Rs 900. But you can see how we were being taken for a ride. I guess these foreign players see Indians as ignorant, gullible and desperate for their products.

Roy was amazed. He had heard many such complaints at social gatherings and from family members. At that time, they had a dif-



Roy realised that for Crysta to retain its customers and expand marketshare, investing in customer service was of utmost importance

ferent flavour. Now, in the context of his research, he saw these people as customers, prospects, users. Brand loyalty was not merely a function of product satisfaction, he realised.

The products these people were talking about were mostly the new offerings of a liberalised economy. In a span of only five years, a great number of new products had inundated the market. But, as some respondents rightly assessed, the manufacturers had only focused on the sale and moved from one sale to another, leaving the customer holding the product. The manufacturer had done little to offer after sales care. Not after sales service, but after sales care. That was critical in forging a lasting relationship with the consumer.

Even among products that were not new to the Indian market, like refrigerators, he could see the rush to grab volumes. None of the innovations introduced in the newer models was being translated into real benefits by fitting it into the customer's needs.

He recalled the time when he bought a four-door refrigerator. His wife had asked the service engineer how the bigger, deep freezer compartment could be put to use. The engineer simply told her to buy a cookbook that gave details of freezing. "It is ideally suited for freezing large amounts of meat, so you don't have to go out to buy it every time you need it," he had added as an afterthought.

For the vegetarian Roys, the refrigerator suddenly seemed a waste. His wife felt she could freeze vegetarian food also but the service engineer had no idea how that was done. "You will learn as you go along," he said. That was what she did. She spoke to friends and discovered that she would have to invest in deep freezer boxes and ziplock bags. Roy had wondered why the manufacturer had not added value by producing booklets on freezing or offering a set of freezer boxes as a promotional offer. That would have helped the brand gain real value in the minds of users, he felt.

That was what bothered him very much at Crysta too. Merely manufacturing a product to meet basic needs hardly required foreign technology, he felt. If these were really global brands, why were they not taking pains to address the real needs of the consumers?

So soaps, shampoos, washing machines and refrigerators were being offered in an underdeveloped market without consulting the consumer. "We just assumed two things," Roy said to Vyas. "That the propensity to consume and purchasing power existed here. Everyone thought there is hunger, so feed it. But how many of these products actually fitted into the needs of the consumer? Specifically, did any of these companies consider life after a sale?"

Roy was going to change a lot at Crysta. He wrote to Talwar: "A sale is not complete when the receipt for the cheque is issued. A sale is, in fact, never complete. It remains alive during the life of the machine and the buyer. The customer is forever and we must understand that the cost of investing in that is the most critical investment for the next sale. Can we strengthen our mission to read, 'Our customer is forever and it is a relationship we will forge and sustain like our relationship with our employees?'"

ANALYSIS I: DAG BENNET

Relate To The Customer

Dag Bennet teaches at London's South Bank University. An MBA from Indiana University, US, he headed a marketing consultancy firm in Chicago before shifting to London in 1992.



PEOPLE don't stop buying from a company because they find another company with a better product. They stop buying because they feel their company doesn't love them anymore. In the case, Tridip Roy is discovering how companies and customers relate to each other.

It may be stretching it a bit to talk about the customer/company relationship as one based on love, but the customer comments in the research are full of emotion, feeling and longing for something more. Most of the comments are also quite personal and not just because the company representative was human, but because people find it very difficult to have a relationship with a 'company' or an inanimate object. This is one of the reasons companies spend so much time and effort on developing brand 'personalities'. It's what people can relate to.

The research subjects here are peeved at a company or its representative — which they rightly perceive as one and the same. The comments are negative because these people feel they have been let down. And while they have an 'I can top that' flavour, they illustrate the problems firms face in a world of increasing product parity. A world where customer sophistication and expectations are rising along with competitive activity.

Witness the comment, "a washing machine is a washing machine". It may be wrong to some degree, however, it is the perception in the statement that is critical. To this person, all washing machines are the same. Any supplier who talks to her about product attributes misses the point because she has gone beyond the product to consider other issues such as how she feels about the company and the quality of her relationship with it. She feels she is being taken for granted and this makes her angry.

Conditioning, Savvy And Sophistication: Consumers rapidly become conditioned to competitive activity such as advertising, promotional activity and trial offers. With experience, they also become so-

phisticated evaluators of products; they expect what they buy to do what it is supposed to. In a competitive world, if products don't satisfy them, customers switch.

Sophistication manifests itself in several ways. For example, there is usually a big difference between first- and second-time buyers of office equipment in the attributes they rate highly. First-time buyers usually place price at the top of their considerations. Second-time buyers usually place price in the top five or so, but they rate other attributes such as reliability, performance and service higher.

Rational firms try to ensure that their products are at least as good as their competitors'. And they also try to come up with improvements that give some sort of advantage in their products, however fleeting. Customers expect all products, from CDs to shampoos, to evolve.

Furthermore, with competitors al-

handled phone call here and there may not be all that important. However, for the individual customer, a mishandled complaint or service call is 100% of current contact with the company. Clearly, each call is much more important to the client than to the company.

Not A Matter Of Good Luck: Good customer service is designed into company operations and reflects corporate philosophy. Only now are managers waking up to the fact that service is vitally dependent upon people and that people cannot be viewed as interchangeable cogs in the corporate machinery.

At least, not if they are going to effectively handle the client-company relationship. In this case, the unhappy stories come from sophisticated, experienced customers who have to deal with unfeeling, unthinking cogs.

Customer service, therefore, must be-

People don't stop buying from a company because they find a better product elsewhere. They stop buying when they feel that they have been ignored by the company

ways trying to do something new, the customer can ask: "What have you done for me lately?" Failure to convincingly answer the question will inevitably lead to the customer feeling let down in this relationship. It probably also means a lost sale for the company.

Customer's Contact Point: It seems the main problem with customer service in this case is that the various companies cited have placed poorly motivated, inconsiderate or even untrained staff in direct contact with customers. The impression they convey is that they don't know what they are doing.

It is easy to see how dangerous this can be for a company which may receive thousands of phone calls each day. A mis-

gin at the philosophical level, recognising that anyone at the point of contact with customers must be trained in all aspects of the product or service, must be empowered to take decisions to resolve problems and, above all, must view customer service as critical to the success of the firm. This requires management attention, time and resources.

Tridip Roy is beginning to get the first inkling of the problem ahead of him. He may be beginning to see that 'relationship fatigue' is really just the most obvious sign that customer service is not integral to the firm's operations. Which is another way of saying that the two parties have grown tired of each other. Or, they don't love each other anymore. ■

ANALYSIS II: SUNDER HEMRAJANI

Heed Complaints Diligently

Sunder Hemrajani is vice-president at Whirlpool India. He has come to Whirlpool from Hindustan Lever, where he served for 14 years.



CURINDER OSAN

LIBERALISATION of the Indian economy brought about a dramatic change in the market. A large number of new players, including multinationals, entered the country, thereby giving customers a choice like never before. From a sellers' market it became a buyers' paradise. Kavita Khanna delivered a telling verdict to Tridip Roy when she said: "I do not want brand choices any more."

The proliferation of brands and models has confused the customer. To customers like Khanna, tangible features like fuzzy logic or a noiseless drier, which were vital selling points earlier, cannot be the key differentiators. Intangible factors like customer service will determine brand choice.

This is a lesson Roy learns at the beginning of his stint as vice-president (customer service) at Crysta Industries. Roy realises that in the white goods business, where competition is increasing, retaining customers is of utmost importance, because the cost of gaining a new customer or regaining a lost customer is prohibitive.

Crysta plans to enter the refrigerators and dishwashers business. Here Roy can leverage the brand equity built through customer satisfaction on washing machines to push the new products. In an era of changing lifestyles and exchange offers, a reduced purchase cycle should enable the company to sell to the same customer if it has kept the customer satisfied earlier.

Roy's attempt to study users of consumer durables is meant to understand the key drivers of customer satisfaction which will lead to brand loyalty and thereby enable Crysta to get a customer for life.

The feedback Roy gets from the respondents is clear. It highlights all the underlying factors that contribute to customer satisfaction. Unsatisfactory purchase experiences and a sketchy demonstration created a wariness in Vaidehi Chari's mind when she wanted to buy a dishwasher. It is well known that in white goods, the decision making process culminates in the shop and effective demonstrations can lead to a favourable purchase decision.

For that matter, delayed delivery and installation can lead to dissatisfaction and loss of sale and goodwill. Divya Mathur's

experience with a Crysta washing machine and Radhika Iyer's with macaroni left them highly dissatisfied with the products they had bought. Brands are expected to deliver what they promise. Any erosion in performance delivery can be a source of irritation in establishing long-term relationships.

Archana Tuli, Beryl Dias and Shalome Vaz are victims of poor after-sales service. Tuli's experience with the water purifying machine highlights the role of human resources in establishing customer relationships. Apart from the failure of the after sales service process, it underscores the need for training in products, services and handling of customer complaints. Service contracts cannot be used only as revenue enhancement tools. Customer complaints offer opportunities to regain customer trust and to identify areas that need improvement. In a competitive world, grievance handling is an opportunity to earn customer loyalty and is a powerful tool for brand building. Higher complaints and lower satisfaction can act as a silent killer. It essentially means that organisations like Crysta would need to:

- Handle complaints in a manner that regains customer trust as fully as possible. The company's response should be prompt, fair and courteous.
- Use a systematic process to receive, document and analyse formal and informal complaints, identify underlying causes and translate the findings into corrective or preventive actions.
- Measure complaint resolution through appropriate indices such as percentage of complaints resolved on first contact, and response time and actions taken. The results should be tracked and used to derive improvement.

A key requisite for building a lasting relationship is 'customer care', which companies show in the way they conduct business with their customers. It goes beyond product quality and fulfilling the basic needs. Monet Bank lost Ritikant Sharma as a result of not caring. Customer care can be enhanced during a transaction through customer education programmes, product brochures and quite simply by being polite and courteous.

The 'care' philosophy also addresses culture issues like respect and trust in the customer relationship. The pager and the printer companies violated these norms while dealing with their respective customers — Dipankar Baruah and Beryl Dias.

Customer satisfaction is the trust measure of a company's quality. It is the foundation on which profitable businesses are built and sustained. This requires knowing customers and their expectations thoroughly. That, in turn, allows companies to establish standards and requirements to manage relationships effectively.

A customer is best satisfied when she least expects it. Most organisations stagnate around very basic customer satisfaction levels. Successful companies move beyond customer expectations — by anticipating needs and surpassing them with superior products and by introducing surprises into the service programme.

Had the printer company given Beryl Dias a service call through a mobile service van within hours or given her a service printer if the defective one had to be taken away, Beryl would have been delighted. A free service call outside warranty or an unexpected zero-interest finance option at the point of sale can send the satisfaction index soaring. The ripple effect will spread to many new potential customers. Tangibles are easy to copy; it is difficult to clone intangibles. Delight today is expectation tomorrow. Therefore, Roy would need to set in motion a process of continuously listening to customers for their expectations and delight them.

Customers are very important stakeholders of the company. Crysta can be successful only if customers select its products and services over those offered by the competitors. Giving them compelling reasons to do so will be managing director Abhinav Talwar's key priority. Through intense customer focus across the organisation, Crysta will be able to deliver the highest level of customer satisfaction. A very satisfied score in excess of 90% on key satisfaction drivers will be ambitious but not an impossible target. That will ensure that Crysta will be able to retain many customers like Kavita Khanna for life.

Drifting Dealmakers

Deepak Sahi always factored in his customers' needs while making a sales pitch. That's where he ran into Shekar Munim — his boss, the cut-throat salesman and his Waterloo

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■ MEERA SETH

The Master said:

*"Where disorder develops,
words are the first steps.*

*If the prince is not discreet,
he loses his servant.*

*If the servant is not discreet,
he loses his life.*

*If germinating things are not handled with discretion,
the perfecting of them is impeded."*

— Great Commentary

DEepak Sahi was exhausted and hungry. First, he had to suffer a 45-minute wait before Jeroo Dalal called him in. Then Dalal was proving to be a slippery customer. She was buying a fax-cum-answering machine for her managing director and Sahi had spent over an hour explaining to her the features of the machine. After all the brochures, chat and demonstrations, Dalal changed her mind. "No, I don't think we want the answering machine attachment. I will take the 1201 fax machine. We can't be throwing away good money like that," she said, and added after a pause: "And you are so expensive." Then she left the room saying: "Please wait, I have one last question to ask."

Sahi waited, glancing at his watch every now and then. It was well after lunch time. His mind was on food as he thought of the *nav bhaji* stalls at Nariman Point. "They will run out of food just as



I get there," Sahi told himself, wondering what was keeping Dalal.

Soon after, however, Dalal returned. She asked him: "How many paper rolls are you giving me free?" Sahi winced. "We don't give paper free," he said softly. "What? Everybody does. No, no, I must get two rolls free. We are on a cost-effectiveness drive. I must get value for money," Dalal said.

Sahi saw another round of haggling ahead. He sighed. The *pav bhaji* stall would surely be winding up now. His stomach grumbled in hunger. He needed that order as much as he needed the *pav bhaji*.

Why, he could even smell the rich aroma of spices and butter. But Dalal was proving to be a tough customer.

"Okay," he agreed weakly.

Stepping out of Dalal's office, Sahi rushed to the nearest *pav bhaji* stall. Strength returned as the *bhaji* rushed down his gullet. "Some day, and I hope it is soon, I am quitting sales," he promised himself. Sahi was a salesman with Carlo India, an office automation and office furniture company. He had left his sales job with a credit card company because it lacked challenge. Carlo, which held all the challenge that Sahi sought in a sales job, was starting to drain him emotionally.

Up the line, he had to cope with target-obsessed bosses who invariably were better salesmen than God could ever create. At least that's how they painted their achievements. They knew all the tricks. Down the line, there were emotional tormentors like Dalal — customers who swore they wanted Carlo machines and nothing else, yet wouldn't sign the order till he virtually grovelled. Laterally, he faced peers who could sell anything from packaged lemons to used toothpaste tubes — and they usually outsold him.

He was a loser at Carlo; everyone else was a star. That's how Shekar Munim, his boss and sales head, office automation division, saw him. "You can't sell even a pin to save your life,



Sahi believed that if he built trust today, customers would return to Carlo when their businesses grew

Deepak," Munim often chided him. When Sahi bagged an order, Munim called it a fluke. "Get me new business and then we will talk," he said.

Sahi made numerous cold calls but they didn't always work. Some wouldn't even accept his business card. Those who did, never called. Those he called relentlessly were usually busy in 'meetings'. Some came close to signing an order, but stopped short, pen poised in mid-air, and asked for a two-month free trial. One customer returned a machine after trial because he didn't like its grey colour.

Sahi had a friend, Sudeep Patnaik, a retired salesman who worked as Carlo's customer service quality auditor. "If sales were so easy to make, we would have already been a Fortune 500 company, Deepak," he said. "Don't let Munim break your spirit. He is impatient and

abrasive, but otherwise harmless, I know."

But Patnaik was obviously wrong. When Munim heard about Dalal's tantrum, he was wild. "Rupees 200 worth of paper free on a sale of Rs 9,800? That's almost 2%. You let a customer eat into our profit?"

For Sahi, the deal could not have come at a worse time. For, Munim was then finalising the quarterly appraisals for his division. About Sahi he wrote: "He lacks vision and commitment.... Is slow and tedious.... Has no teeth.... can't engineer results...."

Munim's boss, the all-India sales manager, Arvinda Iyer, read the report. "I think you have been a bit too hard," he said. "He has been around for barely eight months. It's not that he does not recognise the need for aggression; he needs to be trained properly. You must communicate with him clearly, tell him what is lacking in his approach, help him develop his skills, then lead him to perform. That boy has potential," said Iyer.

Munim was amazed. Develop sales skills? Selling could not be taught, it was an inborn talent, he felt. You were either a salesman or you were not. Sahi didn't have it in him at all. Why, he couldn't even sell water to a dying man!

But Munim was going to try. After all, helping his team develop the right skills was also part of his job, he reasoned to himself. Munim was in a reminiscing mood. He missed his younger days when he walked in the midday sun, going from door to door selling water purifiers. He was a natural. Housewives liked him so much they would have bought two machines if that made sense. "You should have seen them," he recounted to Sahi. It was a friendly chat aimed at waking up the dead salesman in Sahi. "They would hear me out so patiently and would even offer me tea. The cheque book came out quite easily."

SAHI was impressed. He had heard a lot about Munim's prowess at selling. The more seasoned salesmen called him 'Pink Panther'. Munim was always on the prowl, picking on salesmen who failed to strike a deal. The bane of every salesman was having Munim accompany him on a sales call. That's what they all told him. "You would have arrived the day you make a sale without Munim breathing down your neck," they said. He bullied the customer, but worse, he also berated the hapless salesman right before the customer. The tougher customers ignored him; others squirmed.

Sahi did not know what to make of Munim, especially when he got down to his 'friendly' chats. He had been around for just eight

months, and what he had heard matched the man's behaviour. Munim was abrasive, scathing and displayed no feeling for the salesmen. Sahi wished he could make Munim change his attitude towards him. It was not as if he had more failures than successes, but for some reason, Munim seemed to notice only his failures. When he had sold a whole telephone system to a new cookware company, Munim had not a word of praise for him. It was almost as if the sale was never made.

Munim reluctantly decided to follow Iyer's advice to help develop Sahi's skills. And the Reffser Batteries proposal for buying a telephone system came as a good starting point. He told Sahi: "Your proposal is all wrong. Where is the leeway for negotiation? You have quoted a rock bottom price. Pad it up. Add, say, another 15%. You haven't left a bone for the customer to chew on. Allow them to haggle. Gripe, groan, dither and then reluctantly give away 5%, at a time. Tell the customer how much the excise man and the sales tax man take away... If you are clever, you will let him spirit away all but the last 5%. That's a bonus. That's the way to sell, give in a bit, pull back a bit, protest... refuse vehemently, then acquiesce reluctantly." A thought crossed Munim's mind. "Let me come with you to Reffser. I will show you how it is done," he said.

Sahi groaned. Listening to Munim was one thing, but having him on a sales call was the last thing he wanted. Patnaik had warned him. "Whatever you do, don't let him sell for you."

BUT Munim stayed on course. The next day, he accompanied Sahi as he set out. "Just see what liberalisation has done," Munim said, as they drove to Bandra. "It has liberated the customer. Today, the customer is right even on price. Remember Dalal? Two paper rolls! They want a good financing plan, a good price, prompt delivery, good after sales service, now even free paper rolls! What next? None of that for Reffser. It'll pay the MRP (maximum retail price)!"

Sahi did not like the sound of the whole thing. This was the last time he was allowing Munim to go with him on a sales call. But Munim bullied the customer till he drew out the cheque book. Worse, he even convinced Reffser that it needed just six modems.

"That's how a sale is made," said Munim triumphantly. "Now go and get TransAsia Paints in the bag and you can go on leave for the rest of the month."

Munim was happy. He was finally communicating with Sahi. Better still, he was teaching him the art of salesmanship. These youngsters were too flighty, he felt. They came from upper crust colleges and preferred to sell on the telephone. If he told them to

call on a customer at Vakola, they grumbled. They wanted cab fare. Munim recalled his younger days when he sold tea. He travelled by the grubby interstate buses, got unloaded in the middle of nowhere, and waited all night at lonely junctions for the tea stalls to open. Once his train fare of Rs 63 was questioned by his boss. "Why couldn't you take the state transport bus?" Today they were loath to eat at *dhabas* and asked for hefty lunch allowances. Today they were ready to sue the company for negligence!

Suddenly he envied Sahi. This man had it too good. He spent Rs 1,000 a week on cab fare, making cold calls and selling nothing. He had better get the order. But TransAsia was no problem, he thought. There was no selling. They just wanted to place an order. It was a safe account to leave in Sahi's hands.

TransAsia was setting up a new dyes division and needed 12 colour printers and four fax machines. "There's very little you have to do," Munim told Sahi. "The brand is pre-sold in TransAsia's mind. It's Carlo or none at all, their managing director has said. All you have to do is multiply the unit rate by the number of units, and get TransAsia's finance man to issue the cheque. Let's see you do that," said Munim.

Sahi felt peeved. He wished Munim wouldn't treat him like a schoolboy. When Sahi met Shashank Pai of TransAsia, he was told that the commencement of the dyes division had been delayed. Minor hitches, Pai told him. But there's no harm in placing the orders, he reckoned. Since it was a new customer, Sahi decided to collect information for his customer database. "How many people do you have in the division?" he asked. "Eight, not counting the tea boy," said Pai.

"Then, why 12 printers?" Then after a brief pause, he said, "When we had asked for a quotation, the division was expected to be large. I think I will order five printers now... no, make that eight, one for each person" "And four fax machines? Isn't that a lot for a small division?" asked Sahi.

When he left TransAsia's office, Sahi had sold seven printers and two fax machines. Munim flew into a rage. "Who's side are you on?" he yelled. "TransAsia has reduced the size of its dyes division," explained Sahi. "And you have reduced your achievement!" retorted Munim.

"Munim, what's our role?" asked Sahi confidently. "Shouldn't we advise our customers correctly? If we build trust today, tomorrow, when their business grows, they will trust our judgement when we advise them to add more office equipment."

Munim had had enough of Sahi. Here he was fighting hard to get close to his division's annual targets, and here was a damper in the shape of Sahi. He was clear he did not want Sahi any longer in the office equipment division, no matter what Iyer's views were. But he had to keep up the pretense of training Sahi, if only to keep Iyer happy. By having Sahi on

active accounts was giving him sleepless nights. Only Iyer thought Sahi was good. So what if he was a star salesman of credit cards in his previous company? Selling office equipment was tougher and Munim had no time for experiments.

Munim made a big decision. He moved Sahi to 'sour accounts' — customers who had defected to competition in the past year and a half. "We need to build trust among these accounts, we need to woo them back," he told Sahi. He was clearly playing on Sahi's belief in customer faith. "I have designed a unique incentive plan for you. You

Sahi had to cope with target-obsessed bosses who were better salesmen than even God could create. Carlo, which once held a challenge, was beginning to drain him



get 18 months to convert at least six customers. Your reward? Rs 5,000 per customer who places an order for even a single machine. At the end of 18 months, if you have converted more than six, you move to the next grade. And..." He paused dramatically, "there is no penalty for non-conversion."

Munim was pleased when Sahi agreed. For all he cared, Sahi could languish in 'sour accounts' forever. All he wanted was to keep him out of active accounts. But there was Munim's preoccupation with Blanco India, Iyer's biggest target. Blanco, which had been a Carlo customer for 15 years, had in the past one year moved to the competition. This had irked Iyer immensely. "Get it back somehow, I don't care what we do to achieve that," he had told Munim. In fact, as the year drew towards the third quarter, Iyer's anxiety over Blanco began to increase. He stepped up the pressure on Munim. "I must have Blanco in the bag, Munim. Your promotion depends heavily on that," he had said only last week.

Sahi was told to give top priority to Blanco, which was setting up a new division in Pune. "I want daily reports on Blanco," said Munim. Sahi felt strained. His life changed completely. Every day he was greeted with post-it messages ("Have they signed?"), urgent beeps on his pager ("Where are you just now?") and messages that punctuated his daily life at office ("If you see Sahi, ask him to see me").

One day, Munim went as far as to intercept Sahi on a phone call. "I hope you are not neglecting Blanco," he said. "I am on it, Munim," said Sahi wearily. The response was too inadequate to satisfy Munim. "You can't do it, Sahi, you can't break Blanco, isn't it?" sneered Munim.

"I am talking to their bankers," said Sahi. "There might be a problem there." Munim was annoyed. "The place to work is at Blanco, not its bankers. Come here now, I will talk to Blanco."

The next 15 minutes was like a riot. Munim cheered, laughed and giggled as he talked to Chirag Gupta, the regional manager of Blanco in Mumbai. "Bygones must be bygones, Chirag," Munim said. "I know how angry you must have felt. If only we knew... the good news that the salesman you mention left us six months ago. We would have sacked him anyway," laughed Munim. Then he said: "Who? Sahi? Oh no! Your account is too important, I will come myself." At the end of the call, Munim got a commitment from Blanco and an appointment with Gupta.

After the call, Munim turned to Sahi and asked: "Want to come along?" "No," said Sahi. He could not bear it anymore. Besides if Munim wanted to overlook the detail of the bank verification, he didn't want to put his signature to it.

LATER that day Sahi sent the Blanco papers to Munim. It was not his account anymore, he explained. "His account is coming back to us Deepak. That means the Rs 5,000 reward is mine! Doesn't that bother you?" he asked laughing. "Buy yourself a library on people management, Munim," thought Sahi as he left his room.

The following week was a whirl of activity for Sahi. Two sour accounts he had called on had warmed up to his pitch. A third one actually signed up for upgrading its modems and telephone systems. Coming in the course of just seven days, that was a big success. The chief of administration at this company even called Munim and said: "This order is yours only if this young man is



For the third time in a row, a customer had defaulted. There was pandemonium at Carlo as Iyer wanted to fix responsibility while the buck was passed

going to handle it." Munim offered to come down himself: "I will come myself, if that will please you."

"No Munim, not you," said the chief. "It has to be Sahi. He has the way with my staff, the people who actually use your machines. He is the first man who speaks their language." A beaming Munim thumped Sahi on the back. "So, I have finally managed to make you a salesman. Or was it the money?" he teased Sahi. "Shut up, Munim," thought Sahi.

The week threw up a crisis that seized the whole sales staff. Iyer called for an urgent meeting. For the third time in a row, a major customer had defaulted on payment of lease instalments on a big order. There was pandemonium at Carlo as Iyer wanted to fix responsibility while the buck was passed. "Why didn't someone look at the customer's latest balance sheet?" he asked. Munim was livid, the sales representative was hauled over the coals.

"In the rush to bag sales we cannot lose sight of the financial perspective. The financial health of the buyer is paramount," said Iyer. "Even if you hear rumours about a customer's ill health, report, investigate, find out what's happening," he growled. "We have a whole finance department which is paid to do just that."

Sahi returned to his desk; he was worried. Piqued over Munim's role in the Blanco episode, Sahi had omitted to mention its financial problem to Munim.

Sahi had learnt that a creditor had invoked the Companies Act for non-payment and asked for starting winding-up proceedings against Blanco.

Sahi was looking into the matter when an impatient Munim stepped in. Sahi walked up to Munim's room. He hesitated on seeing Iyer there. "Any problem, Deepak?" asked Iyer. Sahi said: "I thought I must let Munim know that Blanco has been sued by a creditor under Section 299."

Munim's face lost colour. "Oh, God," he gasped. "I signed up a Rs 8 lakh order only yesterday. Why didn't you tell me?" he thundered at Sahi. "Were you ready to listen?" asked Sahi, finally mustering courage. "What does this mean?" asked Iyer, surprised by Sahi's aggression. "Ask him," replied Sahi. "He was dealing with Blanco directly, so I handed all the papers to him."

"But you didn't hand over the information," charged Munim. Then turning to Iyer, he said: "Now do you see what I meant all along? He is irresponsible, incompetent, slow."

Sahi was sacked soon after.

"You never let me do my job, you interfered and insulted me at every opportunity, Munim," said Sahi.

"Don't pass the buck, Deepak. You are irresponsible. You can't be a successful salesman," were Munim's last words as Sahi walked out of his chamber.

ANALYSIS I: SURESH KARL

Hey, Let's Trust For Starters

Suresh Karl is vice-president (human resources) at Bush Boake Allen India.

He is an alumnus of the Indian Institute of Technology-Chennai.



IMAGINE an organisation full of people who come to work enthusiastically, knowing that they will grow and flourish, and intent on fulfilling the vision and goals of the organisation. There's an ease, grace and effortlessness about the way they get things done. People take pleasure and pride in every aspect of the enterprise — for example, in the way they can talk openly, reflect on each other's opinions and have genuine influence on the structures around them. That's a lot of energy walking in each day, accomplishing an ever-increasing amount of work and having fun along the way — a far cry from a typical day at Carlo India for the hapless salesman Deepak Sahi.

Carlo India needs to seriously review its assumptions, policies and practices regarding the management of its people, relationships and processes. To identify what is really going on at Carlo India, it is critical to observe the dynamics between the various individuals. The focus, of course, is on the observed behaviours in the boss-subordinate relationship. An important part of what you assess is the impact that problem behaviour has on other members of the organisation since behaviour never takes place in a vacuum.

At Carlo, scant regard is given to basic values on what constitutes good people management. Being abrasive, scathing and humiliating each other even at senior levels seems to be typical. Arvinda Iyer's anxiety to get back a key account prompts him to tell Munim: "Get them back somehow, I don't care what we do to achieve that! Your promotion depends on that!" Senior managers set examples. In this context, the abrasive and manipulative behaviour of Sahi's boss Munim seems to be the norm, with disastrous consequences for Sahi's enthusiasm and morale.

The superficial, casual and unilateral manner in which quarterly appraisals are conducted or the salesperson's accounts re-assigned or his incentives decided and even the termination of an employee show that things in Carlo move according to the whims and fancies of a few.

Even the customers of Carlo India seem

to be treated with a surprising level of disdain. While paying attention to customers is not a new idea, several top-level managers consider customer contact the job of sales and marketing staff. Unless senior executives make market focus a strategic priority, they will not initiate organisational change. Most senior managers routinely spend time visiting customers, but all too often these visits are superficial; they do not invest the effort needed to understand and empathise with the customer. Failure to listen carefully to all customers results in reduced service levels.

Look closely at any company in trouble. Often, the biggest barrier to change, innovation and new ideas is management. Make a list of the things that have stifled your own creativity and held back your career; summarise the critical factors that have stood in the way of your organisation's success; name the individuals chiefly responsible for the missed oppor-

bility for organisational success, make a great deal of money and share it generously. We also require them to demonstrate the qualities that define leadership, integrity and character. And we insist that they be our friends, mentors, or guardians, ever alert to our best interests. No wonder most managers seem to underperform.

One reason for the scarcity of managerial greatness is that in educating and training managers, we focus too much on technical proficiency and too little on character. We are still in the Dark Ages when it comes to teaching people how to behave like great managers — instilling in them qualities like courage and integrity that can't be taught. Perhaps as a consequence, we tend to downplay the importance of the human element in managing. Managers are not responsible for other people's happiness, we say. The workplace isn't a nursery school. We've got market-share and growth and profits to worry

Although managing has become one of the world's most common jobs, we make demands on managers that are nearly impossible to meet

tunities you yourself have witnessed. Managers will top every list.

The troublesome fact is that mediocre management is the norm. Capable management is so difficult that few people look good no matter how hard they try. Most of those lacklustre managers we all complain about are doing their best to manage well.

In one form or another, managing has become one of the world's most common jobs, and yet we make demands on managers that are nearly impossible to meet. For starters, we ask them to acquire a long list of more or less traditional management skills in finance, product development, marketing, manufacturing.... We also demand that they master the management arts — strategy, persuasion, negotiation, writing, speaking and listening.

Plus, we ask them to assume responsi-

about, and anyway, power is too useful to dribble away on relationships — we've got our own nests to feather.

The only people who become great managers are those who understand that managing is also about human interactions. That's why, among all the preposterous demands that we make on managers, character means more to us than education. We love and work hard for a manager who knows little about computers but is a fine human being. We dislike and thwart managers who are mean spirited, however great their technical abilities.

A critical characteristic of great managers is integrity. While it could have various connotations, in management parlance it also means communicating clearly and consistently, being an honest broker, keeping promises, knowing one-

elf, and avoiding hidden agendas that hang other people out to dry. Great managers serve two masters: one organisational, one moral.

The rewards of trusting people at work are very great. High trust organisations get more commitment, better decision making and lower costs. Managers who make

their staff truly accountable can expect less stress and better results.

In a less competitive world, trust was a 'nice to have' issue. In the new, intensely competitive world, trust is a 'must have' issue. If you don't harness the trust effect to get results and drive down costs, someone else in your line of business will — and

they will drive you out of business. Partly in response to global competition, but partly because it is just seen as being the right thing, the structure of organisations is changing. Power relationships just don't work for these new organisational arrangements. Trust-based relationships are the only viable option. ■

ANALYSIS II: ACHAL BHAGAT

Pump In Self-Esteem

Achal Bhagat is an organisational psychologist trained at Oxford. He has an established psychiatric and psychotherapy practice at the Indraprastha Apollo Hospital in Delhi.



TRIBHUVAN SHARMA

THERE are times when speculating about what would happen next makes you understand what has been happening. Let us try and understand the patterns at Carlo by predicting the conversation among Iyer, Munim and Sahi after Sahi's bombshell.

Munim: Why did you not tell me about it?

Sahi: Were you ready to listen? You only criticise and do not listen. You do not even listen to your customers.

Munim: When you have a sagging bottomline you cannot have the luxury of listening, you have had it too good, kid. Do you know how many thousands of rupees you have wasted on cold calls?

Sahi: Don't bulldoze me, I can also talk bottomlines but I would rather create more permanent customers who would be loyal to me.

Munim: Don't be so arrogant, Deepak. I have created many permanent customers in my time, customers who are loyal to Carlo, not just to me. It is so easy to be nice to people by letting them have their way. Can you be nice to them without giving them discounts? They want you to be clever, they respect you if you are a survivor. But they will use you if you are only nice.

Sahi: The world we are living in has changed, Munim. You have to generate trust to sell. You don't trust them, they won't trust you.

All through this, Iyer just sat there, getting more and more exasperated. Suddenly, in desperation, he threw up his hands and gesticulated wildly. "I don't care how you do it, we have a problem on our hands. Can we take care of it?" he said. "We are in a messy deal because both of you are trying to prove a point to each other. I wish someone would pause and think about

just whose money is being wasted here. We are not a business school where you sit around and discuss the nuances of selling strategy. This is real life, in case you had forgotten, not some case study on which you can philosophise."

When organisations focus on 'What and how much is done' and lose sight of 'How it is done', their bottomline sags. At Carlo, it is not Iyer's, Munim's or Sahi's fault. As an organisation, they lost the ability to allow people to question them. No one is allowed to question the processes and no one is allowed to question the product.

Unfortunately, Sahi is falling into the same trap. For the present, he seems to be

space to reflect and audit how the team is achieving results. It will throw up their needs and allow them to have a say in strategy. The team would thus feel more in control of the work that it does. It would also mean that when Sahi is a manager like Munim, he would not have reached a burnout state where he has to be so defensive about the way he works that he ends up bullying everyone.

Selling is a difficult proposition but selling without adequate emotional support is suicidal. Self-esteem is the key. First have faith in yourself, your product, your team and in the way you sell. It is possible to convert this trust in yourself into a confirmed sale.

Selling is difficult, but selling without emotional support is suicidal. If you have a team of salesmen with a negative view of themselves, they will portray your firm negatively

saying the right thing ('You should be able to understand people's needs if you are going to be able to sell to them'). But the manner in which he is voicing his opinion is the Carlo method, which is: 'I am right, no one else can be right and I have to prove I am right, whatever the cost.' The costs invariably are high for such an organisation — costs in terms of a demotivated sales team, customers being patronised and new members of the team being aggressive towards the older members.

How would one change the pattern at such a company? The answer is in creating

For, if you trust yourself, you will be able to hold your ground with the Dalals of the world and be able to understand the needs of your customers. Self-esteem will also help you be firm without being aggressive. If you have a team of salesmen who have a negative view of themselves, they will have a negative view of the customer too. And they will portray your organisation negatively.

Sahi, Munim, Iyer and the Carlo team would need to reaffirm their belief in themselves before trying to fight the sagging bottomline. ■

Demystifying the Retail Bonanza

The Indian retail industry is a clutch of shops leveraging on real estate, says Shishu Pant. The retail boom will pass us by unless it is preceded by the right ethos and business attitude

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■ MEERA SETH

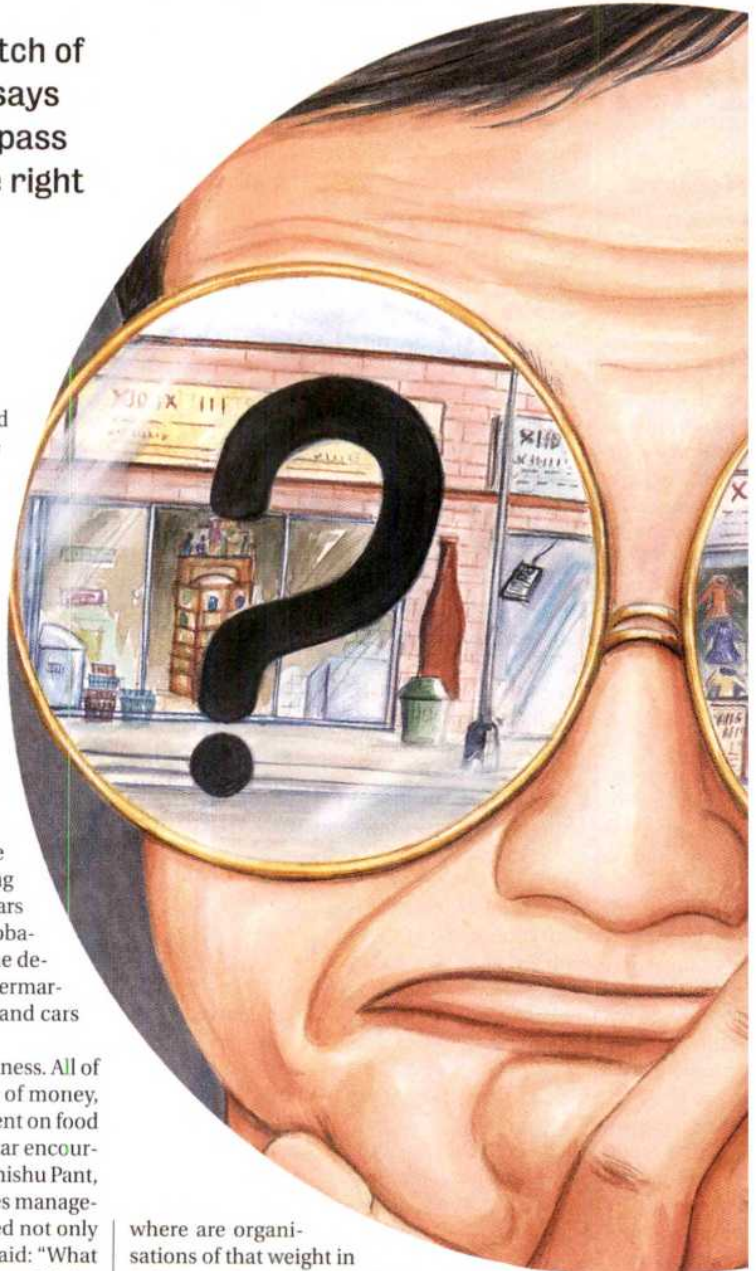
AKASH Khurana grinned as he examined the food tray brought by the airline stewardess. The late morning *upma* en route to Delhi looked fresh, the *sambar* was not the lumpy mess it used to be in the past, and there was tetra-sealed yoghurt too! Domestic airlines were tuning in to consumer preferences, he mused. India was getting exciting, he thought. But Shishu Pant, an old school friend he had met a few days ago, who was now a sales trainer in Bangalore, had doubts if the consumer in India would ever be king.

Akash, head of market operations for an FMCG major in Europe, had worked overseas for over 20 years. Recently, he had been toying with the idea of returning to India to set up a chain of hypermarkets. Yes, that was a big plan, but Akash was also hoping to find a partner from the Indian retail industry. In essence, he wanted to enter retailing as he knew India was brimming with opportunity for retail business; and given his 20 years in sales, marketing and general management, it was probably the best asset he had to bring to this business. So he decided to examine the retail 'scene' in India and met supermarket owners, boutique owners, dealers of white goods and cars across all the Indian metros.

The 'scene' looked very 'ripe' to enter the retail business. All of them said similar things: craze for consumption, lots of money, shopping is recreation, discerning consumers and accent on food and fashions. A few consultants he met, too, gave similar encouragement. And on the last lap of his trip he stayed with Shishu Pant, also with a view to examine grassroots evolution in sales management since Shishu was a trainer. But Shishu overhauled not only his perception, but also his business idea. As Shishu said: "What retail? There are only shop owners in India." And, thus, Shishu methodically demystified the retail boom.

"Who do you think are the big retailers in India?" asked Shishu. "When you look at global benchmarks, the M&As, the Tesco's,

where are organisations of that weight in India? Real retail is a big business, a big aggregated business, but in India, a retailer is a shop owner. Typically, he is a businessman whose father invested in a shop in a market and he is leveraging that real es-



tate by being a franchisee of a brand. So you have millions of people leveraging real estate and that is called retailing in India. And since that real estate is available, lots of manufacturers are using that as an outlet. So that's what I call disaggregation. Its not like 'I am Raymonds and I own 100 retail outlets' or 'I am a Tesco and I have 400 supermarkets' or 'I am a Pizza Hut and I have 1,800 restaurants'. That's an aggregated retail business. When you have aggregated retail businesses of that size and nature, you have a certain kind of investment and attitude to sales training, quality of people, sales management processes, etc. Then it is in your control and it is a viable size to invest money in."

As a keen Akash listened, Shishu went on: "It's not as if the retail market does not exist, but the structure is very complicated.

The structure of an industry determines the kind of valued services it will receive, which, in turn, will make it interesting for a lot of people who supply expertise for it to then gain from that expertise. You do need those inputs to make retailing valuable!

Today, for a lot of people who can provide the expertise and value addition, the structure of the retail industry is not very interesting. Today, I can go to an HDFC Bank and offer to create standards for 20,000 insurance agents. It will happen as that man can take a decision and this offer is meaningful.

"But if I go to a Raymond's retailer in Bareilly, it is ultimately a franchise business, a channel business, a disaggregated business. The man is the owner of the shop, he is not a Raymond employee. Raymond may have some technical control, but after a point Raymond is not interested in spending money and effort on it because they expect the franchisee to do it."

"But the numbers are large," pointed out Akash, "the opportunity is there."

"No doubt," agreed Shishu, "there are millions of retail outlets and people working in them. It's a huge data of millions of disaggregated shop owners doing disparate selling. It is interesting, but it is not easy to navigate or get any coherent direction from it. Retailing in India is dependant on franchising; it could be distribution, channel servicing, where there are lots of other people involved, like the real estate owner and the shop business owner, and in a country like India, because of the background of the person and the motivation for business, there can be a very different approach to business than that of a principal. For example, in Jaya Nagar there is a shop owner. He is in business because he owns a piece of real estate and he is leveraging that. The MNCs say, 'Very good, I want to sell my products through this outlet. He is well-located, etc'. So now, he is a retailer for FMCG goods.

What drives him? 'My shop, my 600 sq ft of space, am I making enough money?' If you go into sociological analysis, then he might say, 'Is there enough money so that my son can also work here?' Those motivations are very different from 'are we 100% customer-oriented? Are we professional enough in our customer management?' Those are things he does not understand, nor does he care, because there is no motivation! Those are not called retailers!

"Take the example of a Maruti dealer. The turnover of an average Maruti dealer in the metros could be Rs 300-400 crore. They are into retailing cars, because if you can walk into a showroom, sign a few papers and drive out your new car, it is a retail business. He is also motivated by factors like real estate and family being absorbed in the business. His scale of investment is very high, he invests close to Rs 100 crore and turns out five times as much business. He has other businesses like a guest house in Ooty and a cinema hall. Yet, it has taken huge effort to get them to see the need for some very fundamental things like hiring the right kind of people, paying them a certain level of salary, creating incentive schemes to motivate them and run the business in a professional manner."

Akash was surprised. "I don't understand," he said. "Why would they resist?"

THESE guys understand anything that belongs to them," said Shishu. "If you tell a dealer, 'Look, often a customer has to wait while you fill forms and numbers, why don't you invest Rs 20-30 lakh in a home theatre so that he is entertained?' He will readily do it. Why? Because in the end, he is only creating assets for himself. He owns it. Then when you tell him, increase salaries by 50%, that way you will get better people, he won't do it. Any shift from cash to assets, he is okay with because he perceives that as generation of owned assets. But salaries, training? No. He does not see that as investment. He comes up with very imaginary blocks like, 'What's the point? They won't stay' or just by paying more 'is se achcha kya mil jayega?' They would rather hire a relative and, thus, also pay less.

"It's a slightly cultural thing, this attitude to business. Retailing is, after all, society in a different form. So, cultural influences are clearly visible in the service that you get. When you arrive at the Delhi international airport in the middle of the night and hire a taxi, you have two blanket-clad men driving you and you feel different from when you land in Chennai and there is a freshly laundered white trouser and shirt-clad English-speaking man who says 'good night, sir' ...that's the city's culture. It reflects the people who inhabit that place and how much they expect the services to serve them. The retailer is only representative of that! That's what I mean.

"It's the approach to business, to life. A dealer in Delhi believe business is about networking. So he knows all the politicians, the big names. He can fix a dealership or a quick urgent delivery. That's his approach to business and it is exactly those networks he leverages on and it works for him in that culture. Now look at attitudes in western India. A Mumbai or Gujarat dealer will even bring his wife into the business, she will also participate in the training programmes. But a north Indian dealer's wife will not be part of the business. That impacts the quality of thinking in the business because a wife who is partnering the business brings in a woman's approach to business. That is a very valuable input because a lot of consumer behaviour is best understood intuitively by the women. If you were to give genders to businesses, services is about care, warmth, concern; very right-brained. Service is, therefore, a feminine business."

Akash grew pensive. He had been hoping to shortlist some prospective partners from among the big dealers, who could bring in property for the retail business, since he wanted to set up a chain



of hypermarkets over time, while he would bring in knowledge, networks and money. But now he realised there was this cultural angle to partnering. As Shishu said: "Given these varying attitudes to business, in retail specifically, it is even more important how you select your business partner. A chap may have property, but does he have the vision and the attitude for a business like this? Voltas and Pepsi partnered; one had market familiarity, the other had the business idea. One had networks, the other the vision. But when push came to shove, Voltas could not partner Pepsi's vision because Voltas had not envisioned how far and deep Pepsi was planning. One was looking at opportunity in the here and now, the other was looking at the opportunity to come. See?"

SO there are numerous aspects to partnering, more so in retailing. In some cultures, a businessman will spend on pre-delivery inspection and post-delivery inspection, but in others, he won't, in order to save money! Again, a south Indian dealer believes he must not cheat a customer. Elsewhere, they feel if you can shaft a customer without his realising it, no harm. For they feel, there is no margin in selling this product; the company is shafting me, so might as well pass it on to the customer. All this comes out in the business attitude. What kind of people they will hire, how much they will pay. Finally, this influences the consumer's retail experience. And what you have to deliver is a 100% retail experience.

"Cultural attitudes and ethos are all subsets of the sales-management process. Companies assume that getting a franchisee to 'fix' the showroom — put some granite and glass and an AC — is equal to customer service because, even at the top, they have not internalised what aggregation means. They do not believe or recognise the need for aggregating their outlets and dealers under a common ethos. So what if the individual franchises are owned separately? The brand is yours!"

But that itself was the main issue. Until now, there was demand, products were manufactured and retailed out of all kinds of outlets. With demand came the need for differentiation and, hence, more brands and therefore, more outlets and more disaggregation. In the case of multi-crore single-product companies like a petroleum company or a Maruti, Shishu did not see much problem because they were high-investment, high-involvement businesses. So the transfer of technology was not just in manufacturing, but also in good business practices. But many other businesses he had met did not have the 'sales' drive, he said.

"One growing chain of restaurants with some 20-25 outlets said they want to 'improve,'" said Shishu. "So they hired a CEO from a tea company. Even if he was from the best FMCG company, where was his exposure to customer service? The kind of customer service he is exposed to as a supplier to channels is vastly different from the kind of customer service you need at the retail level, where you are dealing with the end consumer directly. In his perception, it is difficult for him to understand that there are cultural issues, skill issues, recruitment issues, and the like. Naturally, he does not even perceive a need to invest in it and is seeking simplistic solutions to customer service. So what is he doing? Advertising! He is not investing in the shop situation, the buying situation, but he is creating great advertising around the product and trying to get the consumer to the outlet. But it's after you eat at this outlet that your real experience with the brand begins. You like it, you don't like it, or you are surprised by some price changes, withdrawn offers and others. (In the case of white goods,

you discover post-purchase that your washing machine is not drying the clothes as well as the ad promised, or your freezer is not very efficient. What happens to your perception of the brand?)

"Such CEOs comes from the mid-80s era of marketing, where a good-looking outlet was considered necessary for sales. They are marketing people, with more of a marketing penchant than a sales background. Typically, there are more guys marketing guys trying to drive a sales and service business than service guys. India didn't have to sell all these years. Understand that. Simply marketing was enough. Entice the consumer, describe the product, make it worth dying for, differentiate it from competition, enough! Marketing drove sales at the outlets. But now, in India, we have reached a stage where most brands within a category are nearly on the same technological level, which means not much real differentiation. Given this brand clutter, you can no more be marketing-driven.

"A marketing drive also does not think about investing in the HR processes that go into the channels. That, he assumes, is somebody else's job. The moment we are talking sales, because there are human beings involved, it readily becomes an HR overlap area. It is no more like marketing from a cabin on the tenth floor. Suddenly, there are salesmen, sales managers, and their managers and their processes which enter the picture, which does not happen in marketing. Now, with sales coming to the fore, this whole human dimension of recruitment, incentives, training, competency and skills becomes important.

"I do think a marketing orientation is redundant. Marketing does not work through people. It works through media. Through communication, through mailers, brochures, PoP material, promos. It is not delivered through people! It is disconnected. It's about watching and waiting. Not online. It creates a marketing pitch and puts it out there in papers, on TV and waits for consumer to react. That's where its job ends. Opportunities are created for the consumer to know the brand. But now the consumer has done all that and he has also seen and felt and heard the competitor's brands. Now he is standing in the shop and not buying your product. Your salesman at the outlet is rattling off the same marketing spiel you put out in the ads. It's not working. He is toting up numbers and showing the economics to the consumer. The sales pitch is not working. But the sales pitch has to work! Because it is during this encounter with the consumer that the product you marketed has to be bought from the store and taken home. It's an online opportunity and requires completely different skills and attitudes. Your sales guy has to have the intuition to guess the consumer's mind and meander through his thoughts beforehand. Sales is delivered through people, can't you see? It's direct, one to one. And in a supermarket environment, what the manufacturer has said about the brand is not enough. Your men on the spot have to create that enticement!"

But Akash had already thought through his business carefully.

His chain would be a sort of hypermarket to match Indian shopping situations. So, he would have a white goods section too, with topline brands. Therefore, a CEO with a simple sales background would not be enough. Because this shop was going to be a different experience. "I also have to get consumers to come here to look for their appliances, their music systems and pick up their toiletries, see what I mean?" he said. "It must be marketed!"

Shishu nodded. "Okay, so your marketing man creates mailers, hoardings and TV ads to get people to your shop. All that is real estate! A sales guy uses people, who interface with other people. That's where the tyre meets the road! Therefore, if



your head of retail business is a marketing man, you will have a good ad campaign, a good slogan, and you will think you are headed in the right direction. You will believe that you are becoming customer-oriented. But when the customer enters the showroom and meets the guy selling that product to him, he will have a completely different experience. When someone delivers that refrigerator to his house, he will have a completely different experience. Indian consumers carry the bad memories of their retail experience. How will you change that? That is your challenge." Akash wasn't sure he understood that. "What bad experience?" he asked.



"Okay," said Shishu. "I will show you how the present retail experience is not 100%. Let's say there is this refrigerator called Freezy and you are a consumer. You have seen this ad and now want to buy it. So you go to a dealer. You arrive there and find you have a parking problem in that area. Odd days right side parking, you didn't know. Then you walk into the outlet and find that what you see is very different from everything else you had imagined through that ad. Because what you have walked into is actually real estate owned by this guy who has now become a distributor for this refrigerator. So while Freezy is doing up the showroom, there is a Mr Goyal who is sitting centrestage for whom this is yet a real estate he is leveraging. It's just incidental that today it is Freezy; tomorrow it could be BPL, or Benetton or even a Barista, whichever makes money. Then he will call out to a boy and say, 'See what he wants'. And now you, who has walked in with your credit cards and chequebook, are dependant on this boy for product information, comparisons, quality check, whatever. And this boy tells you, 'yeh best hai.' He has not been trained for it, he has no information, nor has anyone told him that's his job. Now he is being trained for it.

ANYWAY you buy the refrigerator and pay for it. You are told it will reach your house in one hour. So you go home feeling happy. But the refrigerator does not come even after three phone calls. By then you are annoyed. Finally, late at night when you are having dinner, the refrigerator arrives. There will be two delivery boys, who are probably on piece work employment, who have nothing to do with Freezy. Even so, you direct them where to place it; chances are they will ask you to help with it. Then you find one wheel at the bottom is missing. You ask why is this missing? They will say: 'We don't know our job was to deliver this.. Okay we will talk to the shop, can we use your telephone?'

Anyway, by sometime tomorrow your wheel arrives and gets fixed. All's well, you are relieved, you say bad experience let's forget it. A year passes. One day a light won't work. Then you start calling. The outlet from where you bought says call the service centre. When you call, either you won't get through, or it's a call centre agent. This girl says someone will come tomorrow as the maintenance guys have left for the day's jobs.

"You get annoyed and say, I pay Rs 50,000 for a refrigerator and your man does not have a beeper? Then the guy arrives the next day, no fixed time, just anytime he happens to be around your area. You are in the middle of cooking dinner and he arrives. He says the light has to be replaced, cost Rs 2,000. You are surprised, you say, hey I bought this fridge only last year! He says, what can I do, sir? Shall I take the light back? So you curse and say, fine fix it.

"This is reality. This is the level of customer service even amongst the biggest brands. And now I am saying retailing is about customer service, complete 100% care and service at a one-stop

point, single-contact where all data about my purchase is available and where service is almost immediate and a one-stop point which will forever repeat, forever service its customers. That's true blue retailing. Are you going to have that? Look you cannot have different retailing standards for different departments in your store. Your brand has to be 'KwickShop' or whatever you call it, and should not have to depend on LG or HLL or Nestle. Once you decide to stock an LG or Liril, you take ownership for that choice. Now these are your goods. You have to sell them. Therefore, you have to please the consumer 100%. Can you?

It's a huge investment that goes beyond property. Not just economically, but ethically too. Think about it.

"Akash, get to the bottom of this. You are yet skimming the surface like a regular shopkeeper. What is retailing? It's a sales and service experience. If you want to excel in it, you have to see your business strategically and your core competence as sales and service experience creation, not stocking rice or refrigerators. You need to rebuild your vision and beliefs towards unbeatable customer service and invest in all the related aspects that will deliver this vision. Your business strategy should be around investing in all this. Be it the retail outlet itself, the technology you buy, the stock, the recruitment you do, the training of staff — all flows from here.

"In a competitive environment, where markets are opening up, where customers have choices, a Freezy's 'manufacturing' vision or your vision as 'stockist' is incomplete. That cannot be your stated core competency. When you see it as your main vision, then you will have the kind of experience you had with the refrigerator. But as I said, it's very disaggregated in India. One man produces, another sells, a third services. Aggregation is about taking responsibility and ownership for your business ethos, even as a retailer.

So, coming back to the expected retail boom, it is an opportunity but it will pass us by. Yes, there will be retailing, there will be shops, people will buy, you will have glossier shops, more shopping plazas, but not the retailing experience. It will happen in bits and pieces. It will not be 100%. And the root cause of this is that it depends on local entrepreneurship, real estate ownership, and that brings in local culture, smaller people with small visions, who have shops and properties, but who have not been exposed to learning and running high quality competitive businesses on the selling front. Plus there is a huge marketing thrust than a sales and customer service thrust. And this whole drive will ensure it remains at that mediocre, unevolved level.

"So in this so-called retailing boom, we will have more shops, better-looking shops and you will also find that some shop which was a Benetton shop once has now become an Allen Solly shop, but to benefit from some great retail experience requires a completely different kind of ethos and investment. Understand that there is no business like retailing. There is no such thing as a supermarket, worse, hypermarket. There is a business called creating a world-class buying and servicing experience. That is the business that you will actually be in. It will be incidental that you will be selling Coca-Cola and soaps and toiletries.

"And that retailing will have some things to do with acquiring a customer and some things to do with retaining a customer. It's the whole experience from the moment I think about your store to when I unpack my shopping bags. So, when you say retail boom, what do you mean? Many shops will come up? Yes. Many people will get employed? Right. Anything more than that, no. Or at least, not without ethos and investment.

ANALYSIS I: SANJEEV DUGGAL

Lessons In Retailing

Sanjeev Duggal is the president of NIS Sparta. NIS, a training major in corporate transformation — from customer acquisition to retention and strategic market leadership — has transformed the role of training from inputs to partnering organisational performance. Duggal has led this movement and personally been driving similar initiatives for nearly 17 years for over 200 leading companies.



DILIP PRAKASH

RETAILING, as an organised phenomenon, is all set for a big boom in India. It is going to be a highly disaggregated business; the power lies in this disaggregation. This throws up certain challenges for a company because various members in the retail chain will have different motives and all the links might not be aligned.

The company that wants to ride the retail wave has to get the whole chain to act in a coordinated manner to realise the optimum results.

Right Store For The Right Stuff

There is a very important role that every shop and every showroom has to play in order to cater to the huge expanse of India, right from urban to semi-urban to rural areas. We can divide the retail store into five broad types, based on the reason for the customer to visit them:

- High value, quality — Lifestyle, Ebony
- Branded — Raymond's, Tanishq
- Grocery — shop round the corner
- Specialised — KidsKemp, Foodland
- Multi-purpose — keep several things

These stores cater to the requirement of the target customers. Customers modify their behaviour based on the store they visit. So, if a customer is buying a watch from the high value and quality store, he will be choosy, but will not haggle. If the same customer buys a watch from a multipurpose store, he or she might look for discounts.

The commercial agreement underlying these stores is not important; it can be franchising, company-owned and operated, or traditional channel-based sales. The firm should strategise on the type of channel to be used and, depending on the degree of disaggregation, provide suitable loyalty-building measures. In disaggregation lies the energy of entrepreneurs which, if channelised positively, will produce key results.

Customer Service

Customer service is definitely a key requirement. It is important to understand the customer's version of customer service

and his or her needs and wants. Some expectations of the customer from the stores can be:

- High value — good ambience, help in choosing, glitch-free product, immediate replacement and attention
- Branded — defect-free product, instant replacement if defect found later
- Grocery — home delivery, immediate service, credit
- Specialised — variety, excellent quality, immediate replacement if defect found
- Multi-purpose — variety, wide coverage, may not be of best quality, bargaining

Since post-sale service is very important and ensures repeat sales, companies must delink the sales-generation mechanism from the service-delivery mechanism. These are two entirely different competencies and must be handled by suitable people. Some stores have a separate service and complaint handling

ing in people and processes and, thereby, benefit.

Tips For Riding The Wave

Strategise to harness and manage the disaggregated members

- Dissociate the sales-generating mechanism from the service-delivery and complaint-handling mechanism
- Motivate the retailer to take bold decisions — hire right, retain staff
- Ensure a common value system between the company and the retailer
- Provide structured training on sales, products, processes, handling outlets
- Invest in the retailer — not only on the shelf
- Create loyalty programmes for the channel — not only trade discounts

I would suggest to Akash Khurana to continue with his plans, but keep in mind the suggestions given by Shishu Pant. Unless Akash is sensitive to both his goal and

The first reaction to change is resistance. Next people accept change, realign themselves and consequently prosper. Firms must help retailers manage this change process

department or person.

Attitude Of Retailers

Indian retailers are being subjected to a changing environment. Now, the first reaction to change is resistance. Thereafter, people accept change, realign themselves and prosper as a result of the realignment. It is important for companies to realise this and hand-hold retailers in this change process. Creating policy guidelines sitting in ivory towers and imposing them on retailers meets the fate it deserves. It is important for firms to invest in grassroot-level training and helping retailers manage the change process.

A sensitive organisation will be able to make the retailers see the value in invest-

Shishu's views, he may assume that money, branding, advertising and fancy retail outlets supported by price discounting will help him ride this boom. And he will be disappointed due to the Indian consumers' unique buying behaviour, the motives of trade and the channel, the culture of doing business, the alignment of their attitudes and their orientation. The skills of his retail operation will equally, if not more so, decide whether he will ride this potential boom successfully. If Shishu's views are ignored, Akash will do the predictable: hire a retail trade-experienced leader and do what everyone else has done. And I fear Akash will then, at a high cost, miss this great opportunity. ■

ANALYSIS II: VIVEK MATHUR

A Retail Evolution

Vivek Mathur is associate director, KSA-Technopak, and leads its retail strategy and operations practice. KSA-Technopak is the Indian practice of Kurt Salmon Associates, a global management consultancy firm specialising in the consumer goods and retail sectors. Mathur has worked with several leading retailers, across various categories in India, UK and East Asia, with a focus on retail entry strategy development.



TRIBHUVAN SHARMA

THERE may be some truth in Shishu's arguments on disaggregation and real estate-orientation, rather than service-orientation and attitude, as disablers for retail development. However, I believe this is a rather pessimistic, and, perhaps, dogmatic view of the environment that has been presented to Akash.

Disaggregation is a reality, but it is certainly not a showstopper for the retail 'boom'. The real disablers are wrong attitude and inability to invest. Most of the serious players in the organised retail space today are conscious of these and are, therefore, opting for self-operated stores rather than going in for franchising — whether it is FoodWorld, Pantaloon or Shoppers Stop. The disaggregation becomes a challenge when retailers franchise too early — usually due to a reluctance or inability to invest.

As far as service-orientation and attitude is concerned, this presents the opportunity for organised retailers to differentiate themselves from the mass of independents. To develop a large business, attitude and service-orientation need to be supported by appropriate investments in terms of financial and management resources. All major retailers in the world started small, but with the help of their vision, attitude and investments, they have grown to become what they are today.

It is rather harsh to predict that the retail 'boom' will pass us by. But first Akash must understand that the 'boom' will actually be a process of evolution. While large retailers shall emerge and grow, the 'boom' does not spell the end of the *kiranas*. That's because India is too large and fragmented a market for retail consolidation to occur at a dramatic pace. Even as modern retailing in India is expected to be a Rs 35,000-crore industry by 2005, this shall be a small proportion of the total retail business.

Shishu is right in pointing out that the right ethos and investment is required to create a change in the retail environment. Yet, this change is already underway, and if

the FoodWorlds and Pantaloon are too few and far between, Akash just needs to walk around some markets and feel the change for himself. The impact of the modern retailers extends far beyond their stores, which may still be few in number. Their role is more significant as catalysts in shaping consumer expectations and, in turn, catalysing the transformation of hundreds of independent retailers who have upgraded their stores, revamped their merchandise and are doing their bit to improve customer service.

If the modern retailers are catalysing change in the independents, their impact is not missed by the 'traditional chains' like Raymond. These companies also realise that their store brand and large retail presence is a prime asset and they recognise the need for 'aggregating' their outlets with a common ethos and service stan-

dards. They are already taking some steps in this direction.

proposition and strategy for his business, and only then consider whether he needs a partner and what he requires from him. Since Akash seems to require a partner to bring in property for the business, he can do it in other ways besides franchising — possibly through a lease or revenue/profit-sharing arrangement, rather than a franchise. At this stage, Akash really doesn't have anything to franchise in terms of an established brand, or proven business methods and systems. Even if the service-orientation existed with potential partners, it would be disastrous for Akash to 'franchise' this operation, particularly if it was a business as complex as a hypermarket operation. For a start-up operation, he first needs to develop the brand and institutionalise the methods and management controls before seeking to franchise. If, at a later stage, the model does lend itself to

It is harsh to predict that the retail 'boom' will pass us by. The retail 'boom' may actually be a process of evolution. While large retailers shall grow, it does not signify the end of the *kiranas*

dards. They are already taking some steps in this direction.

Shishu's argument about a marketing orientation being redundant and the need for a sales orientation is quite incorrect. Marketing is about being consumer-oriented and it begins with defining an appropriate value proposition for the target consumer. And then delivering that value proposition consistently through a complete customer experience. All the elements of the retailer's proposition — assortment, pricing, store environment, and the like — need to come together to deliver the customer experience, and this extends much beyond a 'sales-orientation'.

If Akash believes in the opportunity, then he needs to think through the value

proposition and strategy for his business, and only then consider whether he needs a partner and what he requires from him.

Having lived overseas for over 20 years, Akash would certainly have missed the change in the consumer, retail and supply environment in India in recent times. He should further evaluate the opportunity for himself, and then develop a business plan based on his objectives and expectations, and the competencies and investment he can apply to this business. Only then can he make a decision on whether and how he should develop his ideas. He should collect perspectives from retailers, brands and service providers like Shishu. These may present some dimensions of the puzzle that Indian retailing is. Or, perhaps, what Akash really needs is a good consultant! ■

When The Tail Wags The Dog

As brand clutter increases and consumers leave the choice to the retailers, marketers resort to retail push. But can this be sustained? Is there a way out of this impasse?

This case study was first published in BW, 30 October 2000

■ MEERA SETH

SUSHIL Menon stared at Bhailal, the retailer, in undisguised surprise. This man who had always bought Reach toothpaste in large quantities, had just told Sushil: "I will take only two boxes. I have invested in Coke." Sushil's jaw dropped as Bhailal continued: "This market has become more dynamic than the stock market. Until recently, Pepsi and Coke were selling at the same price to me and I stocked both brands. Then Coke came to me and said: 'If you buy two crates, I will give you a bottle free.' So I bought more of Coke, but some Pepsi too. Soon, Pepsi countered the offer, saying: 'Hang on, you buy two crates and we give you two Pepsis free.' In less than four days Coke came with a counter-offer saying two crates, three Cokes free. Keep only Coke and two more free. So I went and put all my surplus on Coke. The deal is very good."

That did sound crazy to Sushil. Because Bhailal had bought 500 crates of Coke and was all set to rake in gold. "Therefore, right now, I am not interested in toothpaste or *sabun* or jam," he said to Sushil. With a lot of negotiation, Sushil managed to put some toothpaste into the outlet. But not all variants of his Reach toothpaste. Bhailal picked just one variant and refused the others.

Sushil's mind was abuzz. It was becoming clear to him that with the influx of so many brands and variants in the market, the



retailer's push energy would matter the most. But that did not take away his targets for Reach. Worse, Gerfeers India was now planning to launch another variant, Reach Plus, a germ barrier toothpaste with mouthwash. Sushil felt diffident about its future. Retailers like Bhailal were bound to give it a miss. Unless Gerfeers joined the bandwagon and resorted to the push strategy.

The next day, Sushil called Radha Vats, the product manager of Reach. "Radha," he said, "do you really think the consumer is going to be excited about Reach Plus? Yes, we have a good toothpaste there, but there are good brands in every category! Today, BPL is as good, so is LG and so is Whirlpool and so is everybody. You

look at automobiles, appliances, white goods. There is very little to choose from as far as technology and looks are concerned.

Today, everything is nearly similar and the consumer is fatigued with the choices and there is tremendous confusion.

So, you go and seek advice from your friendly neighbourhood retailer who has always been loyal to you and your mother."

You ask him:

"Which detergent is good?" and he says:

"Surf le jao." So, you

buy that. If he says,

"don't buy brand X

atta, there are complaints," you will not

touch brand X *atta*.

The brand is finished as

far as you are concerned

and as far as that outlet is

concerned. Therefore, how

are you going to ensure that

the retailer nurtures your

Reach Plus, along with Reach

Active and Reach Supreme?"

Radha had been through a similar

debate with marketing. In the last

eight to nine months, she had been in-

creasingly seeing a commoditisation of

brands. Typically, in categories where there

was a huge brand clutter, and hence, low

consumer involvement at the brand level. It was gradually

leading to a scenario where the retailer's recommendation

was gaining supremacy. At one stage the choices were limited

and the consumer would ask for a brand by name.

If a retailer says
'don't buy brand X
atta, there are
complaints', you
won't buy. That
brand is finished

That was a time when brand values were so strong in a consumer's mind that she would ask for Dalda cooking oil, for Lux Toilet Soap, for Shakti Bhog *atta*, for Amul Butter. Today, the consumer is simply asking for 'nahane ka sabun'. Naturally, she thought, despite so many brands and brand values, brands were unable to achieve brand loyalty. Consumers were easily switching brands.

"Why," said Sushil now, "if I had agreed to discount Reach to Bhailal, he would have pushed my brand happily and successfully. The same way he is now pushing Coke."

"What are we seeing, therefore?" asked Radha. "We are seeing a phenomenon where the retailer is becoming a very important part of the marketing mix. Many marketers are aware that a retailer can choose not to sell their brand. No matter how much you shout in the

advertisements, if it is not available on the retail shelf, it will not be bought. If you ask the retailer why he doesn't have a given brand, he is verily going to tell you that either the distributor is inefficient or that the brand has complaints. Somebody, somewhere is making it more viable for him to stock one brand over another. Also, and this is important, if he is not stocking all brands, it's because he knows that the consumer is also becoming indifferent across brands. Which is why he tries to get the maximum margins out of companies. Which would explain why Coke and Pepsi are having to wage a war for every bottle they sell. Because in their category, there is so little to choose from."

"So, it is all a matter of who has the highest push energy with the retailer," said Sushil. Radha had seen this just two days ago when she bought a water filter. "I asked for Bajaj's water filter because I carry the memory of it being dependable, the name to trust," she explained. "But the dealer called for an OK water filter. stopped him and said: 'Don't give me OK, vokay, I want Bajaj.' was taken aback at the ease with which he said: 'Believe me, it is the same. Bajaj is also manufactured by OK.'"

"There you are!" said Sushil. "Educated, MBA, urban elite. And it took him two seconds to change your brand preference."

"I don't think he changed my brand preference," said Radha "but he did change my buying decision for that transaction. I can't say if he was right about what he said, but for that moment I was willing to go by what he said, because I was in a hurry and, that apart, my family has known him for 15 years."

NOW do you see the power of the retailer?" said Sushil. "You were spending a thousand rupees on a product, and in few seconds he has got you to rethink your brand ideal. Think of the company now. The marketer, what are his options? He can go the Pepsi-Coke way, but he will continue to lose money. Which is what is happening in white goods, *atta*, biscuits, butter, salt, jams. All these are categories where the lack of a clear rational, emotional differentiator has rendered them sheer commodities at the retail."

Adil Mistri who had walked in a few minutes ago, was listening to the discussion keenly. He now said: "I too have been experiencing this dissonance for sometime but I am unable to translate into strategy," he said. "My friend who owns a large *atta* brand, is facing this very problem. All *atta* brands, he says, are losing huge sums of money in this struggle for retailer attention. Annapurna, Shakti Bhog, Rose, Pillsbury, Nihar, Aahar. Name it. His own brand

INCENTIVES
TO
RETAILERS

is on the brink of closure. Today, to survive, he is having to sell to the retailer, at one rupee lower than the leader! Mind you, the leader himself is selling at a loss! If he sells at par, the retailer has no use for him. If he sells one rupee above the leader, he is finished! So what is his choice? Sell, but at a loss, to live."

Sushil could understand that. After all, he had been with a biscuit company four years ago. "Look at what is happening in the biscuit industry," he said. "Every marketer is suffering losses. Every biscuit is at a 50% discount to the retailer or has a consumer offer on it. Reason? In most of these there is very little to choose from, no repeatable, reproducible differentiator. Same for colas, *atta*, edible oils, biscuits, jams, ketchups."

Adil nodded in agreement.

"Therefore, look at it from the company's point of view," he said. "Now if my *atta* friend doesn't have a discernible differentiator any more and he has only that much in his budget to spend, where should he put his money? Should he put it into TV ads, or put it in the retailer? Which option has a surefire hit rate? Or should he resort to consumer promotion?"

THEREFORE, Radha," said Sushil, "consider the future of Reach Plus. The market has eight other toothpastes, many of which are on the same platform as Reach Plus. And all these are comparable on price, packaging and delivery. Where is my differentiator? Knowing I don't have one, I have to push through the clutter and get the consumer to prefer me over others. Moreover, I have to first get the retailer to prefer me, choose me over other brands he could stock. Point is, how will this happen?"

"Now look at it from the retailer's point of view. What does he do? Marketers have always kept their retailers on a 5-7% margin on all branded goods. But give them a good deal — five bottles per crate — and they will influence the buyer to switch. A retailer is in the business to make money. Your retailer said Bajaj and OK are similar, yet he pushed an OK, right? Why? Because there is more money on an OK. Similarly, even if there is a demand for, say, Lux, and it is available, he will buy maybe more of the deal-offering soaps, because he knows that 80-90% of the times, the buyer will ask for a *nahane ka sabun*, not Lux, or Cinthol or Palmolive."

"Thirty per cent of the times he will be able to get his consumer to switch to the deal-offering soap, and cause substitution of the brand. In such a scenario, what does a marketer do? Irrespective of whether he puts money on the TV ad or not, he still has to contend with whether the retailer will push his brand, because that's where his volumes will come from! Volumes are not coming from advertising pull any more; these are highly salient brands, with high recall. If that is so, then what will it take to increase

sales of Reach from, say, four million to five million?"

"The challenge is the retailer," said Adil. "He decides what to sell, rather what consumers should buy."

"Then what options do I, the marketer, have?" asked Sushil.

"One, I can go on the pull strategy — cover TV and magazines with my ads and say: 'Buy mine, mine is the best.' Two, I can go to the retailer, give him a lot of money and say: 'Push my brand and make a lot of money.' Three, go and discount my brand to the consumer: 'Buy one and get one free.' Any promotion that offers value for money (VFM)."

Radha shuddered at the idea of a VFM offering.

"The danger is that you have to significantly discount your brand," she said. "O.K. to get noticed, but not sustainable in the long term. But to make a big difference as a VFM brand you had to offer big discounts, like Baron Electronics. All others were giving you a 21-inch TV at Rs 20,000, but Baron offered a 29-inch TV at Rs 18,000. So, if you have a product that is equally good in terms of features, its deliverables, its output, but can be put out at a 30-40% discount, then you are in business. So, even before I have launched Reach Plus, I must discount it?" she asked incredulously.

"Then go through the retail," suggested Sushil. "Many are doing it successfully, particularly the new entrants who want to create a big market for themselves. The management of these companies is being evaluated on their ability to achieve the initially forecast market potential. For that, if it costs them a couple of million dollars, it really does not hurt them. Now a lot of these guys are saying, 'forget the bottomline, but get the topline (sales). Profits are not material at this stage.'"

"Now, given the window of 8-10 years that these top managers were given by their foreign parents, each one of them went berserk to get volumes. And what is the best way to do it? Go to the retailer/dealer and say, sell my television, give me exclusivity, or sell my Coke, or sell only my *atta*, and for every unit of my brand that you sell you get 20-30% more margin than you get on competition. That is what triggered this marketplace madness. What the Cokes and Pepsis started is now being followed by everyone. Will you do it Radha?" asked Sushil.

A silence pervaded the room, as they all considered the rhetoric. Then Adil said: "If you do that you will lose the direct touch with the consumer."

"How?" asked Sushil. "Very simply," said Adil. "Because between the end consumer and the retailer, it is the retailer who is benefiting. A manufacturer strives at cost effectiveness, but instead of passing on the savings to the consumer, he ploughs these back into the retailer, who now appears to be a better bet for raking

in sales volumes. The person who is gaining is the retailer, and he is not manufacturing, not distributing.

He is simply breaking the bulk. His contribution to the supply chain virtually tends to zero. And for this, he picks up 12-13%! So is there something we are missing? Is this sustainable? Why is it that today, in the supply chain, the biggest gainer is the retailer? What will happen if we don't pamper the retailer?"

"But then what is a marketer supposed to do?" asked Sushil. "It is true that the retailer can be influenced with money. I just had a taste of that from Bhailal."

"Of course, he is," said Adil. "How else do you think I managed to increase sales of Petal soap by 250% in Delhi metro in just 12 months? Unprecedented? Yes. But how? Discounting my

Even if there is a demand for Lux, a retailer will buy more of the deal-offering soaps. That's because 80-90% of the time, buyers ask for a *nahane ka sabun*, not a Lux



brand to the retailer, thus giving him higher margins, so he bought my brand, sold my brand and made more money and keeps coming back for more! Why? Is my brand better than that of my nearest competitor? No! I can do a hundred blind tests; I can tell you no consumer will be able to tell my brand from brand X. And if I was able to achieve that growth, it was simply because I found a differentiator — the retailer. Yes, today, I have the volumes, the growth, the mileage I desire. But where do I go from here? How long can I sustain this trend? For the time being it is an advantage because I have managed to decimate competition to a large extent in my market. Now, after 12 months of high, if I were to go back to my retailers and say: 'Okay friend, now that brand acceptance levels have been reached, now that I have displaced competition, let us get back to the earlier 7.5% margins, continue selling my brand.' Do you know what? He will go back to brand X even if he is also giving 7.5% and tell his consumers: 'Sorry, don't buy Petal. There is a complaint about its quality.' I am finished!"

"Naturally," said Radha. "I won't be surprised."

"And here is the bad news," said Adil, "the last few weeks I am being pushed by my commercial department to take a price increase of Re 0.50, and my retailer is already saying, 'nahin saab'. Because he knows that will squeeze his earnings. And if I have to fight the way the market is demanding, then the only person who will ever make money is the retailer, not the company! It's a self-regenerating exercise, where, if you don't continue feeding the giant, he will eat you up. You will die."

SUSHIL now turned to Radha: "So you see? If you have to do a successful business with a product that does not have a plus, then you have to go through the retailer. There is no way out! You have shown your parent firm a certain volume that you can achieve. To now say: 'Hang on, I have to drop some of these volumes, get some brand saliency, get some pull...' How can you? Does Reach have a pull in the market? No way! And if you don't have a pull energy, then you have to get it from pushing. If you do that, the retailer demands more than his pound of flesh. You give him that and you go home without profits. So, you cannot have a profitable business solution with a push strategy."

Radha's mind ticked away. Suddenly, the prospect of Reach Plus seemed forbidding. The Indian market had become a huge basket of multiple offerings. Each begging for either consumer or retail attention.

The consumer was confused because he did not see any clear differentiator across brands. Branded commodities, mused Radha. All these TVs or refrigerators, *atta*, salt, bread, jams, oils, shampoos, butters, toothpastes, biscuits, low-priced detergents. And in all these there was zero brand loyalty. With zero brand loyalty, the consumer was not king, the distributor was not king, the manufacturer was not king. The retailer was king and master puppeteer. And then all hell breaks loose, because you have no control.

As if in sync, Sushil said: "For, the consumer is not showing clear loyalty, the brand is not showing clear differentiator; the consumer is saying 'koi bhi de do' and the retailer is saying, 'give me a good reason and I will push your particular brand'. Go to any retail outlet and watch how people buy. The question usually is 'offer kis pe hai?' Why, my own wife walks into an outlet and looks around to see which toothpaste comes with a free toothbrush!



Today, all TVs, *atta*, salt, bread, jams, oils, shampoos, biscuits are branded commodities — with zero loyalty. Here the consumer is not king — the retailer is

The whole marketing mix is now becoming a challenge, especially for commodity brands where there is no plus. With competition getting aggressive, it is the retailer who is making the difference. But in the long term this is not sustainable, I know, I know. But the question is, how does one get out of that?"

"If there was an answer, Pepsi and Coke would have started making profits," said Radha. "The reason why there is no answer is because there is a big conflict between short-term and long-term gains. If you decide to go for the long term, then in the short term you don't even kickstart your brand! And everyone wants immediate saliency and loyalty from the consumer. The other point is, there is no limit to greed. Today, the retailer will ask for 5%, tomorrow he will want 5.5, very soon he wants 6. And if you are in an aggressively competitive environment like Coke and Pepsi are, where your competitor is equally aggressive, then this carries on."

"Which is why," said Adil, "we are talking of an inflation figure of 3% even with petrol and diesel prices going up! Which is why we are in a scenario where TVs cost less than they did in 1991. Which is why we are talking of scenarios where people are discounting everything that is available, because everyone is pumping in money like never before. Where is this going to end? All I know is that I am fighting a price increase with my commercial department and bravely even asking for 75 paise more to entice my retailer because I have to get my sales volumes in! If I lose my job, it won't surprise me!" he laughed.

"Look where it has taken you," said Sushil. "It has come to a point where your own margins are not enough! You are not asking for budgets to advertise or to run a promotion. You are not marketing any more. If this is what you are doing, that means your brand building, your theme spends are going down, your spends on creating an image for your brand are going down — can't you see? Instead, you are spending on schemes, on offerings. So, what is happening? You are no more building the brand and your soap has become a commodity!"

"Now you are getting the point," said Adil. "Yes, but I have to meet targets and retain my job!"

Radha sighed. "What do I do? Reach Plus does not have a differentiator. I am not putting up a Dove or a Fair & Lovely. How do I launch a me-too successfully?"

And in the background they all could hear the retailer whining. "X Today, X Ultra, X Super, X Active, X Supreme, New X, X Plus. Why do you have so many types? In my small shop I have to keep 2,500 SKUs, they may get old, lost, invisible, stolen, obsolete, eaten by rats. You are adding to my complexities adding brand after brand. Shouldn't you give me a good reason to keep them all?" ■

ANALYSIS I: RAJESH JEJURIKAR

Innovate To Win

Rajesh Jejuri is vice-president, marketing (automotive sector), Mahindra & Mahindra



HEMANI MISHRA

RADHA'S key issue is on how to launch an undifferentiated product successfully. Well, that's tough. We all know that the key premise of a successful marketing strategy is good differentiation (*a la* positioning). It's also as true that most products launched today are weak on differentiation.

Brands are getting commoditised. A brand becomes a commodity when the only basis of differentiation is price. The relative score on 'customer value' (quality/price) is declining, tempting the consumer to be 'deal-driven' rather than 'value-driven'. The retailer is bound to be king in a situation where differentiation is low and the customer is not discerning.

What then is good differentiation? At its purest level, it represents a clear, superior, measurable and tangible difference in performance that is discernible by the consumer. But times are changing, and with that, the basis of differentiation. Differentiation can be achieved at a product performance level, through an emotional bonding route, or by creating an ownership experience. If all else has failed, differentiation can also happen through excellent execution. While the strategic positioning may be similar, an outstanding creative execution can create differentiation.

While classical marketing theory would propound that differentiation is the only basis of success, the ground realities of the market are different. The reality is that at a very simplistic level there exist two segments:

The Indifferent Buyer: Typically, seeks category need (at generic level). Would ask retailer "atta dena" and accept an offering within a band of three-four brands in his consideration set.

The Discerning Buyer: Status conscious and, hence, brand conscious. Would be well-informed on offerings and make a considered choice. Would use the retailer's recommendation as

one of the inputs into the buying process.

Fortunately or otherwise, India is still largely a rural market with low levels of literacy and the dominant segment for most categories is the indifferent buyer. No mass marketer can ignore this segment. But it's not that easy. The innovators and the loyal consumer base with high profits is the discerning buyer segment.

Hence, in most categories, marketers need to use advertising and brand building strategies to address the discerning buyer and retail push to address the indifferent buyer. This heterogeneity of the market has made the marketing costs very high — leading to lower margins and higher advertising costs.

fence-sitter whom he can convert. And three, the price warrior brand which discounts very heavily with no advertising. A useful framework to help decide on the level of mix and the role of advertising and promotion is the level of differentiation.

Radha needs to use advertising to create awareness/reassurance and bring the brand into the 'consideration set' (See 'The Differentiation Tack'). She would have to rely heavily on trade push and that cost would, in fact, have to be a part of the product cost because the brand would need to discount itself almost continuously. Radha should also work on creating intangible differentiation in her offering.

This could be done by creating strong

Radha needs to understand the retailer psyche. The retailer would rarely push a brand with no pull (unless the margins are abnormally high)

Radha needs to understand the retailer psyche. The retailer would rarely push a brand with no pull (unless the margins are abnormally high). This is because pushing a brand with 'no pull' engages huge convincing effort and a lot of time. The retailer would typically have three types of brands/offers in a category. One, those which he must keep and sell to the brand-conscious customer. Two, the No. 2 and No. 3 players which he would give to the

emotional bonds, by setting up value added clubs, offering advice and working out loyalty programmes. However, to survive profitability she has to ensure that her brand is the lowest cost player. In a me-too game, the only basis to survive is to be the cost leader.

In conclusion, any marketer has two business models to choose from. The sounder and more sustainable one is of an 'innovator' (for example, Gillette), where differentiation is high, leading to higher profits and a more proactive consumer-driven strategy. The alternative model is that of a 'cost leader', where the basis of competing is cost/price; in this strategy, there is a greater role of push and, hence, the retailer.

The bottomline is either innovate or cut costs — preferably do both. ■

THE DIFFERENTIATION TACK	
	ROLE OF ADVERTISING
HIGH	● Build brand saliency/awareness ● Bring brand into consideration set ● Provide reassurance ● Advertising at maintenance level
LOW	● Advertise the point of difference ● Dominate share of voice ● Advertising is the business driver
	ROLE OF PROMOTION
HIGH	● Consumer promotions to start traffic ● Trade promotion to sustain push, marketshare and stock pressure ● Promotions are business drivers
LOW	● Consumer promoting to build trials, usage ● minimise or avoid trade promotions ● Promotions/events which reinforce equity

ANALYSIS II: UTPAL SENGUPTA

An Eye For An Eye

Utpal Sengupta is the president of Agro Tech Foods.



THE challenge is the retailer," said Adil. "He decides what to sell, rather what consumers should buy." This sums up the hypothesis of Sushil and Adil. Their perception, however, is the net result of several interactive factors worth examining individually:

Commoditisation Of Brands: Manufacturers' inability to differentiate their products and growing scepticism among aware consumers that most brands offer comparable functional values have led to what has been called commoditisation of brands. As a result, the direct link between the manufacturer and the consumer is getting snapped, and being replaced by an intermediary — in this case, the retailer.

However, abandoning faith in branding to become a 'label' that is vulnerable to retailer pressure is not a valid strategic response to the situation.

Experience shows that it leads to gradual erosion of profitability and eventual forfeiture of market position. There are several markets in India, which have a proliferation of brands as well as labels. Tea and edible oils are two such. In each of these markets, real profits are earned by the brands. Taj Mahal tea and Saffola oil are two examples of successful brands built on differentiated positions in what are otherwise very commodity-oriented markets.

The manufacturer needs to fight the trend towards commoditisation by returning to basics — creating brands with differentiated positions that make consumers prefer them over their competitors. That alone can insulate him from having to always appease the trade.

The Rise Of Retailer Power: In developed markets, retailing has been completely redefined with the coming of organised modern retailing. With this, the balance of power between the manufacturer and the retailer has shifted dramatically in favour of large retail chains, which have immense buying power.

In India, too, chain stores have started appearing — particularly in the south. However, until now, the retail structure in India has remained largely fragmented.

While there are instances of retailer associations asserting themselves, retailer power is still short of what it would be once modern retailing truly proliferates. And yet, discounting to retailers in many categories has already gone beyond what the value added by retail can legitimately justify.

In part, this is due to competition between brands or labels that have no real differentiation. It is also in part caused by too many categories and brands/labels fighting for the limited resources of the existing retail network. For example, a large grocery store of the type we are all familiar with can at best manage 1,500 stock keeping units (SKUs). On the other hand, a modern self-service store can stock and display three times that number of SKUs. Faced with this real constraint, discounting to the retailer is often seen as the only way to get distribution.

This practice of deep discounting to re-

tailers — the extent to which one employs 'push' strategy as against 'pull' in a particular instance would depend on the specifics of the case.

In a large, dispersed market like India, where getting the right distribution for a brand is a major challenge, creating awareness or even preference for the brand through positioning and 'theme' advertising is just not enough. One must combine it with the right channel management strategies to reach the brand to its far-flung consumers. In other words, a successful brand will always have a judicious mix of both pull and push in its marketing strategy.

What Happens To The 'Me-Too' Brands? Finally, what does Radha do with Reach Plus? Several brands and variants have been launched with far less rationale than Reach Plus seems to have going for it. After all, it comes from a well-known stable, and response to competitive action alone would

Abandoning faith in branding and capitulating to the retailer is not a valid strategy. Experience shows that it leads to gradual erosion of profitability and forfeiture of market position

tailers, however, seriously erodes profitability of a category. It is a bit like the practice of an eye-for-an-eye eventually leaves everyone blind.

Short-term competitive strategy may favour trade discounting. However, it does not aid the process of brand building. It may be argued that unless there is a shake-out in the market, or the retail structure changes, what can one do?

Serious players need to step back and see this practice for what it is. Erosion of profitability of the categories they operate in is eventually going to hurt them most.

Push Versus Pull Strategy: People talk about employing the 'push' versus the 'pull' strategy as if they are really alternatives. The fact is they are complementary

give Reach Plus legitimacy.

Having said that, if there really is no strong consumer logic for a variant to exist, it will be held hostage by deal-minded retailers, and even then, end up cannibalising most of its volume from other variants of the mother brand. In the process, it will add to complexity and costs. It is, therefore, more likely to qualify as a short-term defensive action rather than something that can potentially propel the brand forward.

Depending on the specific market conditions, Radha can go ahead with the launch of Reach Plus. But she has reason to thank Sushil.

He has given her reason to think how she should plan to break out of the cycle of commodity brands!

ANALYSIS III: K. RADHAKRISHNAN

An Evolving Strategy

K. Radhakrishnan is vice-president (merchandising and marketing), FoodWorld Supermarkets — a part of the RPG group.



SUSHIL, Radha and Adil do have a problem at hand from the seemingly irresolvable vicious circle of non-differentiated products, unfamiliar brand name, difficult retail penetration and shallow pockets.

But it is never too late to disaggregate the key drivers of the business under each player in the drama to clearly understand the tactical possibilities to enter the market and make good the effort not spent earlier to develop a cohesive strategy.

The situation in summary is as follows: eight other brands, no higher margins for the retailer, not differentiated, no long-haul strategy speak out...

Manufacturer

The value proposition for Reach Plus seems weak. Radha would do well to remember that non-differentiated brands are okay with the consumer, there is more choice of the same type — she doesn't mind. There are two reasons to introduce a product. One, there is a perceptible consumer-need gap that is asking to be filled. The need may be attribute-driven, or esteem, or any other perceptible reason. Two, the need gap can be created by technology. A new attribute, a new benefit. Clearly, Radha and Sushil are struggling to find a gap in the mind map of the consumer.

Retailer

The opinion is that the retailer is holding the manufacturers to ransom by playing one brand against the other and extracting extra margins. Seemingly true. But nowhere in the discussion did the profitability of the retailer come into the picture.

The store carries thousands of SKUs (stock keeping units) in a limited space of 400-700 sq ft. There are licensing costs in running a retail outlet, limited capability of display, stock turns are limited to the supply schedule of the stockist.

I wonder if Radha and Sushil ever studied the retailer's return on investment. Is a gross margin of 5-7% enough to yield 30%? What are the net earnings of a retailer after considering non-moving stocks and damages? Sushil will have to understand these better to negotiate more strongly. Possibly,

the way to Bhailal's heart lies in this. We'll find out a little later.

Consumer

The fragmented retail outlets, the cluttered buying space... A consumer must jostle 10 other people in a 50-sq ft area outside Bhailal's shop, to ask for what she wants: "Toothpaste!" She must also say "Reach Plus — 100gm", which should come to her mind when she has to make the split-second decision. Rarely does she see any SKUs at POS (point of sales). The problems here are three: the convenience to 'see, feel and buy' doesn't exist, one must bring to top-of-mind the brand and its promises within a split-second, and one must contend with the retailer's push of his favourites.

Approach To The Retailer

Sushil should talk to the retailer in terms of GMROI (gross margin return on investment). Simply put, GMROI is the percentage of retailer margin multiplied by the

GMROI. Promise Bhailal a GMROI of Rs 480 per year. (2) Take back all old stocks, no questions asked. Sushil should not find this a problem, since if sales are good, outlets will not accumulate old stocks. But if sales are low, then this will be the least of his problems! (3) Match the retailer margin of the leader. (4) Tell him that Reach will be his 'in-shop brand' for six months. Promise him that Gerfeers will give him a 2% better deal on any trade discounts offered by two leading competing brands. Tie up his commitment. Keep yours.

Approach To Management

Radha and Sushil should make a case to the management for a medium-term view of 12 months, to work at close to neutral contribution and use that for trade schemes. Plan the push and pull alternatively. Plan non-discount schemes such as contests, create the pull, in months where Bhailal is not pushing. Where there is no contest on

The opinion is that the retailer is holding the manufacturer to ransom by playing one brand against another. But the profitability of the retailers comes nowhere in the picture

stock turns. So 5% times four turns per month is a GMROI of Rs 20 for every unit rupee invested. Sushil should remember that this ratio can be enhanced by either increasing retailer commission or by increasing the stock turns (by reducing stocks kept at any time — but with 100% demand fill).

Sushil should study the GMROI of not only other competing toothpastes but also of some SKUs that the retailer stocks as his main range. Clearly, Sushil needs to understand Bhailal's business better and show that Reach Plus gives better returns than any of his favourites.

The package he can offer is:

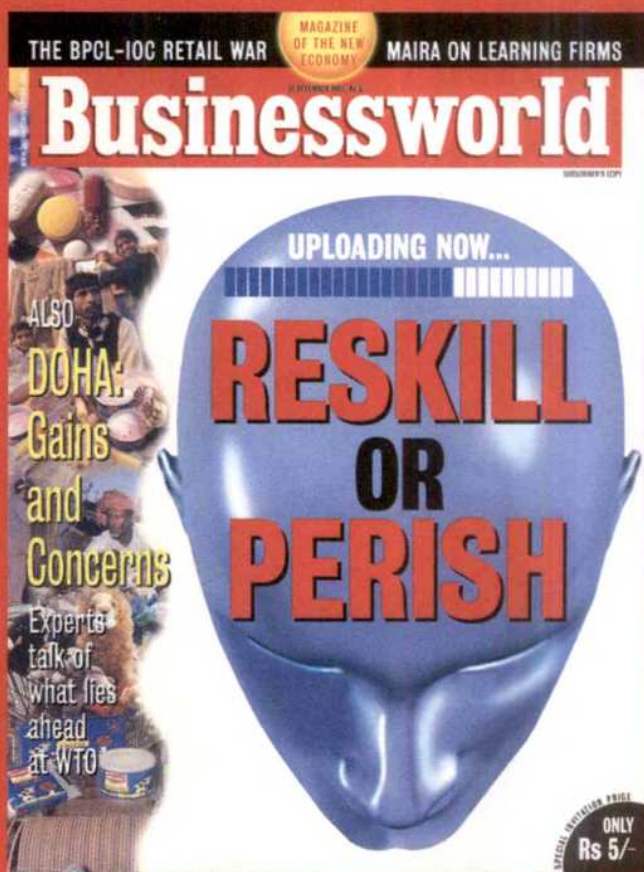
(1) Reach Plus will be supplied two times a week instead of once. This will double the

offer, use basic brand building and push. If Radha and Sushil's judgement is correct, then due to customer indifference to quality distinction between the brands, some switch and loyalty may be seen. Lower price in the first 12 months should be used as a differentiator.

Not that these are the greatest brand building tactics but market entry will be at a cost, given the situation that Radha finds herself in. And, possibly, the cost that Gerfeers has to pay for launching a non-differentiated brand.

A case for self-help supermarkets? Where the retailer allows the customer to 'see, feel and buy' without influencing her buying? Where the 'customer', 'self-help Bhailal', 'Gerfeers' can 'win-win-win'. ■

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What's Stopping You?

Who Pays For Brand Building?

Rajkiran insists that brand building is the route to growth. His grandfather believes a retailer cannot be bigger than the brand he sells. His father wonders...

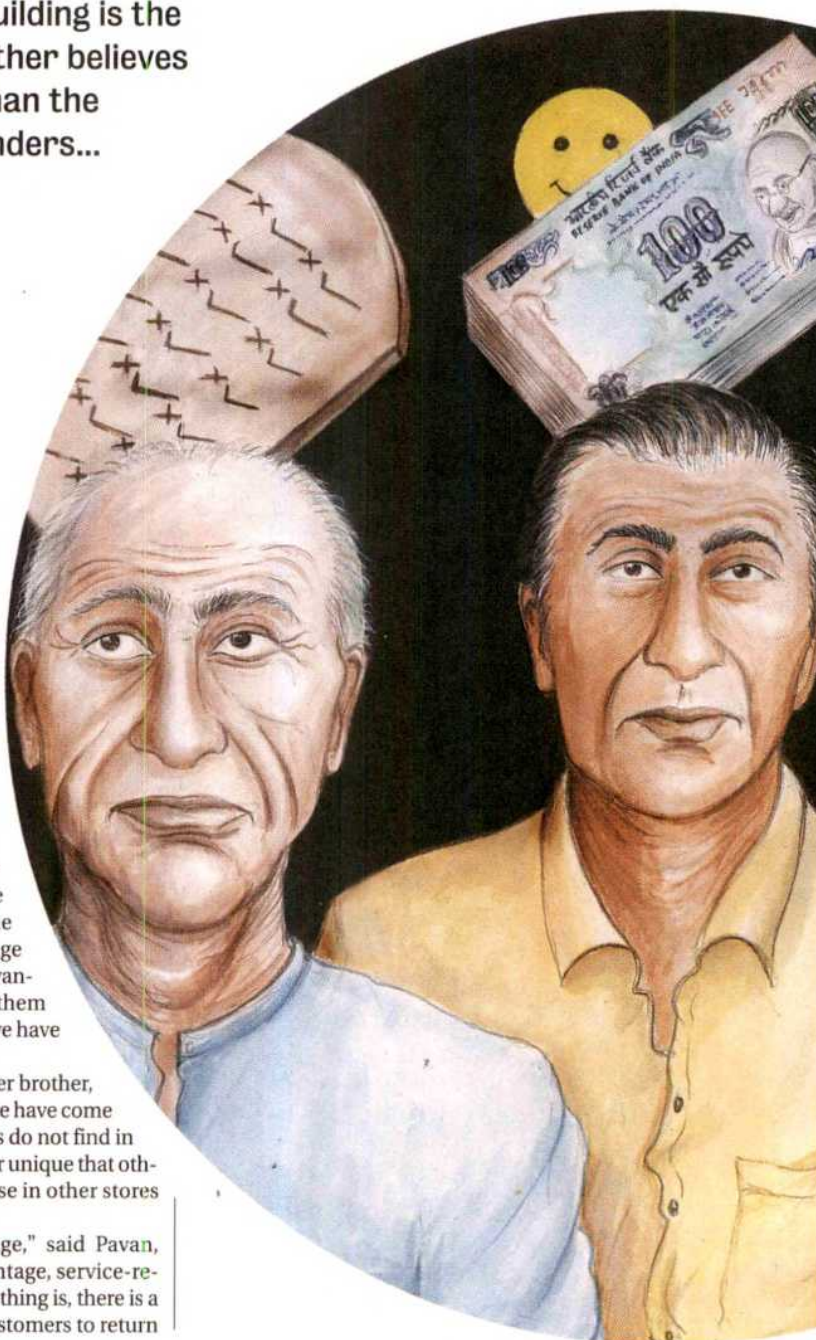
This case study was first published in BW, 10 September 2001

■ MEERA SETH

RAJKIRAN Jain stood a little away, taking in the conversation between his father and a family of three that had come to Neel Kamal Electronics (NKE) to buy a CD player. The father and son seemed to debate on brand and store. "That is why I told you to check first with Jain *saab*," the father said to his son. "He always advises wisely; you will never go wrong...." Rajkiran moved towards the window, deep in thought. More and more customers were telling him NKE was very dependable. Yet NKE sold nearly the same brands as the others down the road, charged prices that were well within prescribed margins, but ensured the customer got a good deal. NKE, with its average looks, somehow had a distinctive appeal and advantage in the minds of these customers. Most of them usually said: "We feel safe when we shop here... we have never regretted our buys"

Raj had spoken about this often to his younger brother, Pavanraj, an MBA student. "I think, somewhere we have come to own an advantage, an attribute that customers do not find in other stores," he said. "Yet, it is nothing tangible or unique that others cannot provide. Point is, they wander, browse in other stores too, but eventually buy at our store."

"It's something like a differential advantage," said Pavan, "though in our case it appears to be a soft advantage, service-related, image-related,... but worth encashing. The thing is, there is a perceivable difference we have, which causes customers to return



to our store. You need to cash in on this and make it our brand, our unique selling proposition."

But Raj was not sure what that special difference was, although he agreed it was a soft attribute, an aggregate of goodwill, lineage, service, credibility, etc. Whatever it was, it seemed to make NKE irreplaceable in the perception of his customers.

Pavan was clear it was time for NKE to examine its 'special effect' on people and use that to consolidate its position in the dynamic marketplace. "Today the retailer is far more critical than being a mere bridge between manufacturer and consumer," he said. "I do think retailing in durables is soon going to see a huge redefinition in India. Are you prepared for that?"

That depressed Rajkiran more. "How is that going to translate into growth for us?" he asked Pavan. "How will NKE double its size?"

For, the manufacturers whose brands he stocked and sold — Whirlpool, Philips, LG, and the like — told him: "Organised retail is coming, you have to start running your business better..." "What does this mean?" he asked Pavan.

"That means," said Pavan, "you need to build NKE as a brand, where the products are not important, but the store itself becomes a brand."

Like Nalli saris, Barista coffee, Crossword bookstore, a mini brand in your own right, where the consumer shops for the assurance of the store's proven quality, known sales service and credibility on many other counts.

Sometimes this comes from sheer habit consequent to location, as it happened with many *kirana* stores, but that convenience also leads to a preference to shop at that store than anywhere else. The point is, you now need to sustain that preference because today, neither is location a barrier to entry, nor is the consumer immobile."

Rajkiran understood all this better than learned managers, because he had grown up watching his grandfather, uncle and his father work on the store. While he sat in a corner and did his homework, his ears picked up valuable store management insights, values on customer building and service, on vendor management, and a lot more. His ears also picked up customer chats, complaints, his father's responses, his grandfather's counter arguments, his uncle's arbitration...

and when the sound of voices trickled to an amiable tone, he usually looked up and saw the customer leave with a smile on his face. Therefore, today in this mid-thirties, with the advantage of more sophisticated reading material at his disposal, he knew deep within himself that his store, Neel Kamal Electronics, was a virtual brand name. Wasn't that why his uncle had set up his own store in

Andheri and called it Neel Kamal Electronics?

Which was why, two years ago, Rajkiran established more formal HR practices at NKE, bought computers, built a very sophisticated data base of his consumers, spending valuable time and money to track the old ones who had moved, to go back as far as 30 years. On the vendor side, he gave a fair share to each of the brands he stocked. And Rajkiran never let them down. Not happy with three stores carrying the name Neel Kamal in Mumbai, Raj now pondered seriously the idea of franchising his store name to smaller shops. "That's the only way I can grow!" he said to Pavanraj. "I have expanded the breadth of my portfolio and am now also selling computers, but I do not want to travel beyond durables."

Said Pavanraj: "When a company, which originally sold in a given region wants to go national, that is, make the whole country its marketplace, it invests in brand building. And that is exactly what you need to do. To support this franchise idea, you need to do some structured brand building."

BUT Rajkiran was already a step ahead, without knowing it. "I have already been doing some work like that," he said. "I have considered promotions, advertising, internal HR acceleration and higher salaries." For, Rajkiran was hugely ambitious for NKE. He had seen his father and grandfather slave over the business, but the returns never seemed commensurate. In the retail business, he knew growth could only come through multiple stores and that was why he thought so hard about franchising and acquisitions. The family was wary about his dreams, but Raj was quite confident. And, to some extent, was his father. He was keen to spread the Neel Kamal name across the breadth of Maharashtra and even Madhya Pradesh. "We must start owning a sizeable share of the market. How else do we take NKE further?" reasoned Rajkiran. Ramanraj, his father, shared some of his optimism. Having built the store during the 70s, he had not dared to dream. But now his son's generation was raring to go. They saw altogether new possibilities in the market; why, Rajkiran and Pavanraj were now talking of building NKE into a brand like Coke! Pavan was away in college, but Raj was talking to consultants, making plans to renovate the store, air-condition it, hire English-speaking staff... all of which was adding up to a neat sum of Rs 2 crore, not to mention the advertising and publicity.

The whole idea appeared preposterous to the grandfather, Tilakraj, who said: "All this is a waste of good money. Ever heard of a store becoming a brand name? Where is the money going to come from?"

But Raj reasoned with his father: "For me to build a brand and take it to multiple stores, I have to make money from the customer, even if I get bank financing. The cost of brand building, which I have to load on to my customers for the next five years, comes to 1-2% of product cost. If I don't load it, then in the process of brand building I will kill my own firm!" And to Jaideep Vats, the consultant and Pavan's friend, he pleaded: "I have this moral dilemma; I value my father's word tremendously and he values his father's word just as much. Now we have these customers for 30 years for whom I did the fairest deals. Now I am saying I need to have a brand, whereas dad never felt he needed to have a brand name. So do I load the price, not load the price, should I forget brand building, or in the process of brand building, will I end up axing my own feet since my customers won't accept this glossier more expensive avatar of Neel Kamal Electronics? At least, that's how father thinks."

Said Jaideep: "You have such a good name in your city, that your kind of consumers won't mind paying that 1%."

But Ramanraj had his doubts. "If I did not do brand building, I



would have charged Rs 10,000 for a product, but because Neel Kamal has decided to do it and with blind faith you come and buy from me, I charge you Rs 10,200. *Yeh thoda irritate karta hai, saab...* customer may not notice it at first, or even not at all... but it goes against my grain... it is very nice to say go and build your brand, but it will be at the customer's expense! How do I justify it? I know there is a rationale for building brands, otherwise, worldwide, people won't be doing it. Now you tell me what I should do."

SIMPLY, the father was asking: "How do I continue to say that I am giving best value for money when, in reality, I am charging extra to pay for brand building?" But manufacturers had always built the cost of brand building into the product price; it was an accepted norm... but to say it ran counter to business ethics? The ethical issue was that there would be a segment of customers, which would pay for the brand building. After the costs were recovered, there would be a segment that would not pay for it. But if, for the sake of irresolvable contradictions, he were to continue charging the premium, he would end up profiting irrationally. And Ramanraj was unable to differentiate between the two. Therefore, was there a way in which he could put that back into the customer's pocket so that the customer gained? As father asked: "When, after six or seven years, I have recovered my investment in brand building, should I start charging less?"

Jaideep felt more confused as father stated the issue. As far as he knew, brand building was an ongoing process, not a one-off exercise. Soaps, toothpastes, detergents... all of them built a brand, invested in brand building. But it never ceased. Then it was relaunch, reposition, refurbish... so it went on. But father now said: "My Neel Kamal brand was built over the years without my spending on it. All I spent so far is emotions. I knew my audience was in the city, not beyond, so I worked on local sentiments, local needs, desires, drives, habits.... I put up huge stalls during Ganesh Pujas, Navratris.... My customers knew they could always expect a fair deal from me. I passed on all company promotions to them, did repairs and after-sales service as expected, delivered goods at my cost, gave them product demos even when the company did not provide me with a demo product, and so forth. Periodically, I even discounted a product when a customer bought two or three items and budget was a constraint for him. On that kind of brand building I have always spent — if you call it expenditure; now my brand name, Neel Kamal, is well known. Today you are suggesting a front-end brand-building exercise. It appears a bit mixed up. I did it all along unconsciously, did it because it was good for my customers and over the last 20-25 years, the brand name was built. Otherwise, how would people come to me and ask me to franchise my name to them? I think my brand name is already built!"

"The way I see it is, my brand-building need today is to set up 20 more stores all over Maharashtra, Gujarat and MP. Not because that exercise will build a brand name for me, but because the name is so well entrenched that I must spread. Therefore, my spends should come out of yesterday's profit. I appreciate that growing my business will need me to spend on sustaining that name, ensure consistent quality of service, etc. But shouldn't that come from past profits? Whereas you are saying it should be loaded on to price and, thus, come from future revenues. And this is what I fail to understand."

"Yet," said Jaideep, "when you want to build more stores and let distant consumers benefit from

your lineage, you need huge sums of money, right? That kind of money you do not have in accumulated profits! So where is that going to come from? So it has to come from future customers."

Jaideep could see that there was a fundamental difference between the brand-building exercise that a new soap would do and the brand-building exercise that a retail store would do. A soap grows by first building the brand and then taking the product forward. In the case of a retail brand, the product — the store — takes birth first and over 20 years the name, Neel Kamal, becomes a name to reckon with. Now the name needs to become a brand name because that's how it could sustain itself. It was a business issue because unless the Jains established NKE as a brand, it would perish as competition will enter. It was a 'growth in business' situation.

The costs involved in building the store brand meant advertising, promotions, publicity, store decor, etc. For example, Rajkiran would now have to emphasise the buying experience and, therefore, need to air-condition his stores. But Ramanraj asked: "Would that improve the way people buy washing machines? So, why should my customer pay for my granite floors, piped music and air-conditioning? It is not going to change the value proposition of a Whirlpool or a Samsung washing machine. A customer who wants Whirlpool will buy a Whirlpool whether I have air-conditioning or not." Jaideep said: "But it will matter to his decision to buy from you or another store. Okay, he may buy from Neel Kamal for the various service efficiencies you offer, but in the future, these services are not uniquely sustainable since everybody is providing the same service level. So you have to create those emotional bonds through advertising, support these bonds, change the product mix... and somebody has to pay for it! Therefore, the same customer who was buying for Rs 10,000 will now pay Rs 10,200."

"There are so many issues at stake. Please understand, you are not simply growing new shops because it is a hobby. You are, in effect, taking your quality of service to new places and new customers. Therefore, the customers consequent to the change will have to bear the cost. Where is the dilemma?"

Jaideep was clear that brand building was required, nearly clear that the cost had to come out of future profits, but, somewhere, even he was not fully convinced that the rationale was justified. And before they knew it, the foreign direct investment policy would be changed to allow the entry of a Circuit City or a Best Buy or a Dixon's to set up shop in India. Then what would happen to Neel Kamal if it had not harnessed the market by then? The time was right and they had to start shoring up soon. At the same time, it had been proven elsewhere in the world that the local retailers who had invested in building the brand were the ones who had stood up to competition and survived.

Father Ramanraj himself was caught in this change situation. At one level, he dearly wanted to hang on to past values and traditions. At the same time, he knew that growth had to happen before the sharks were let loose in the market. And typical of a father of his era, Ramanraj also wanted to be sure that he left behind for his son a world that was bearable, manageable, a world that was up to his standards of progress better than all the generations before. He did not see anything wrong with what his son aspired for. So if Rajkiran wanted to grow 20 more stores, Ramanraj knew he would do it. However, what he wanted to know was whether it would be done within the boundaries of the values he had inherited.

Which is why he wanted to hear from Jaideep an



answer that was do-able and bearable to his ears. But he knew, somehow or the other, this conversation would end up justifying loading costs on to the buyer. That worried him.

"For example," he said, "can you imagine a conversation between two sisters, one who buys a microwave from me and the other who buys the same brand from another store. And the one who bought from me has paid Rs 200 more to defray my brand-building cost.... Can you see how it begins to erode the faith? Classical economics tells you that if there are two people selling bricks, one at a lower price and the other at a higher price, consumers will choose the low-priced seller." "However, it is the brand value that will keep the customer coming to you," said Jaideep. "That's the whole purpose of brand building."

"But who pays for the brand building?" wondered Ramanraj. Jaideep knew he was caught in an idiomatic abyss and he needed to give Ramanraj a new idiom with which to perceive his business situation; a new perspective that would enable him make the paradigm shift from one era to another.

"Then let me ask you another question," said Jaideep, bracing himself. "Is there any difference between NKE and Ahuja Sales down the road? If a customer should prefer your store to another, where is the *raison d'être*? So, if there is a difference between you and Ahuja, then let that difference show, become apparent; state it. A customer chooses NKE because you are different. Those attributes that set you apart from Ahuja and 10 others in this locality is what causes a customer to prefer your store. Now if you want that customer to keep preferring you, put all those special or unique attributes that set you apart into a nice little definition and give it a name. A brand name.

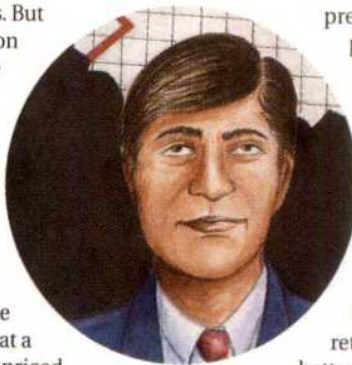
"It's because you sell differently, deliver differently and serve the customer differently that your service, your offerings become differentiated. You offer a better buying experience. And that you must keep doing if you want to be seen as different. If you do not, then your store is substitutable: a customer could buy a TV from you or anyone else and not stand to lose.

"But you say, 'check my prices, I offer the best deals'. It's because you differentiate that for a customer that the perceived cost of going to another shop is higher. That also means that there exist many more such positions that you can take in the market, which make your offering distinct and better. And you have now to pick out your position.

"Therefore, you have to state the 'buying experience' as part of the product you sell. The product you sell is not television or a refrigerator or a music system. Those are, in effect, commodities. LG cannot relate to the end user directly through its brand name. It still needs the retailer, the dealer who serves as the communicator, the conduit that delivers the brand and its attributes to the consumer. What you are selling is a unique buying experience. The experience of buying at Neel Kamal versus buying anywhere else, right?

"Today there are 20 brands of televisions to choose from in the market, but, in effect, they are all just televisions. Who tells a customer which one is best suited to his budget, or the size of his drawing room, or even his usage situation? You, the retailer. That is the buying experience."

Rajkiran couldn't agree more. He said: "The point is today the customer is willing to pay for that buying experience. He wants to know what he is buying, why not another brand, whether he has got himself a good deal and, for this assurance, he is willing to pay a



premium. Which is why he doesn't buy any toothpaste at Rs 25, but one that adds value to his purchase. And because these are durables, he wants to be doubly sure. Because he is buying for a longer term!"

Ramanraj was stupefied. "That means I can apply the same marketing rationale to my store?" he asked. "I didn't know a retailer can claim to be bigger than the brands he is selling! Yet, how can that be possible? LG, Philips, Samsung, are all manufacturers! And they manufacture different kinds of TVs and refrigerators. As a retailer I am only providing service. How can I be better than a manufacturer? Isn't there a difference?"

GRANDFATHER Tilakraj had a completely different viewpoint. "Let me tell you how I see the market, the customer and this whole business you call brand building. When I set up this store in 1961, I knew even then that my customer base, what you call audience, was already defined by the location of my shop. I was lucky to get this spot in Dadar those days, but I did not think, and nor do I think now, that I can charge my customer for being well located. I know I am not the only place from where they can buy a radio or a music box. There were 20 others on this road right up to Dadar Kabutarkhana ... a customer could go anywhere. After all, he wants a radio or a music box. And let's face it, a retail shop is easily substitutable. Therefore, if today I start saying 'I am different, I give you a better buying experience,' I will have no buyers! No one wants to pay more for what can be bought cheaper. Shopping is a necessity, not an entertainment. When you want a TV set, you want a TV set, not 10 people fussing over you, five people talking, someone bringing you a cold drink. *Is mein koi value addition nahi hai*. Yes, I can discount a bit, tell you what to buy. *Par yeh to dimag ki baat hai, dil ki nahi!* This is not a circus! How does it matter where a customer buys from?"

"I am saying this from a buyer's point of view. As a retailer, yes, we have over 30 years experience dealing with the best firms, we offer good brands, you can be sure of service, etc. Yes, the shopper should feel he is in safe hands, that's what we are offering. But how can I package this and call it a brand? I am wondering about this whole business of brand building." But Rajkiran was emphatic that the consumer behaviour had changed significantly today. "Today, a consumer does not only look at the money price he is paying for a product," he said.

"The buying experience holds a big value for him and that influences his perception of the price he pays eventually. Simple things, why do we buy our groceries from Gokul? We believe Gokul is safer to buy from. We have a certain equation with him, we know his stocks, his delivery, his price, we know he will have what we want, etc. So our perception of the service influences our choice of the shop. So there is a real consumer price perception and, because it is there, it can be influenced."

Tilakraj was surprised. "And how long before 10 others copy Gokul? I don't think a retailer can hang on to his service as a differential advantage. Tomorrow if Gokul decides he is brand building, and he adds on 20 paise to everything, won't your total bill go up by a few hundred rupees? Will Gokul still be your favourite store?" And that was something that worried Ramanraj too. Neither store quality, nor service levels, nor price was a sustainable differentiator, he felt. So what was brand building going to achieve, he asked. Better still, this whole belief that retail could replicate manufacturers in brand building was highly overstated, he felt.

ANALYSIS I: RAJEEV KARWAL

Future Retail

Rajeev Karwal is senior vice-president (consumer electronics), Philips India. He was recently elected to a second term as president of Consumer Electronics & TV Manufacturers' Association.



THE problem Neel Kamal Electronics (NKE) faces today is true of any family business wanting to grow faster. The worry of losing all that has been built in the name of brand building or growing faster is as real as the generation gap between the grandfather, father and sons. Who finances the brand-building effort? What is the differential that is both sustainable and can be agreed upon by all members of the family?

The family knows that the consumer electronics and consumer durables market will continue to grow for quite some time. They have been in this business for over 30 years. The changes that NKE has witnessed since recent liberalisation have been much more rapid than in the early years of the business. India will be a big market and multinational retailers, like Dixons, Circuit City, Best Buys, will enter the Indian market sooner than later. They will bring about changes in the way the Indian customer would get served.

I agree with Rajkiran that the time for expansion, and building on the goodwill of 30 years, is now. NKE's customers feel safe with them and never regret their buys. It is clear to the entire family that they have some kind of a differential advantage — which is soft, service-based and image-related — and they want to build on it. It also realises that the retailer today is the critical link between the manufacturer and consumer and that location and distance are no longer big barriers.

Rajkiran realises that multiple stores are the only way to quick growth. Father Ramanraj may not agree with Rajkiran fully, but is very clear that he would like to bequeath Rajkiran a world that is at once manageable and up to his standards of progress. Of course, both Ramanraj and his father, Tilakraj, want this expansion to be within the values they have nurtured all these years. The big dilemma before the family is how to finance a Rs 2-crore expansion that present earnings obviously cannot fund. Moreover, if future customers are to finance it by paying 1-2% above normal street prices, the following questions arise:

- Is it correct to charge customers prices higher than those in the market?
- After the cost of expansion and renovation has been recovered, would it not result in a kind of situation where the store is profiteering from the customer?
- Will the customer accept the glossier more expensive NKE? (This found no answer within the family.)

In the past, NKE has always given its consumer the best possible deal. Company and bulk discounts, even the benefits of promotional schemes, were passed on to the customer in some way or the other. It was a relationship built on trust and ethics that always made the customer at NKE go back happier.

Once the expansion takes place, happiness will be a function of the buying experience: granite floors, piped music, air-conditioned interiors, trained English-speaking salespersons, and so on.

Rajkiran, having studied customer be-

pansion be financed?

My view is clear: a customer bonds with his stores for all product categories, even branded FMCG products. It is the way he is dealt with at a particular store, perhaps something in the air, that makes him feel comfortable or otherwise. So much so, the same brand of tea at a slightly marked-up rate is better when bought from store X instead of Y.

Here, we speak of items considerably more expensive, which most are buying for the first time. A store which sets high standards of ethics and customer service has a better chance of retaining its customer base and building upon it.

In some ways, NKE has been doing this over 30 years, and the time is ripe to consolidate upon the goodwill, while improving the shopping experience. NKE must guard against loading too much of the cost of expansion onto its customers. It should continue to provide a comfort level where

The customer will pay more for the buying experience. He wants to know what he is getting from one brand that he is not from another, and that he has got himself the best deal

haviour in recent times, knows that the customer is willing to pay more for this buying experience. He further understands that the consumer wants to know what he is getting from a particular brand that is not available in another brand and that he has got himself the best deal. Ramanraj and Tilakraj, on the other hand, believe strongly that no one wants to pay more for what can be bought cheaper. Shopping, to them, is a necessity, not entertainment. To Ramanraj, store quality, service levels and price did not constitute a sustainable differential. So, what will the brand-building achieve? Two critical questions here:

- What is brand building for a retail store all about?
- How should this brand building and ex-

the value proposition justifies a slight increase in price.

How should the expansion be financed? The question is hypothetical and, therefore, I cannot understand the dilemma over past earnings or the future customer paying. Today, enlightened manufacturers know that they stand to benefit by supporting organised retailing and dealing with professional businessmen. As the purchasing power of NKE increases, the special tie-ups manufacturers may have with NKE can also part-finance this expansion.

I would really like to see a store such as NKE expand its business in Maharashtra, Madhya Pradesh and Gujarat. And I am sure that most manufacturers and consumers would like to see professional stores at their doorsteps. ■

ANALYSIS II: ARVIND SINGHAL

Shifting Paradigms

Arvind Singhal is the managing director of KSA-Technopak India and has 18 years of experience in information technology, consumer products and management consulting in India to draw from.



DILEEP PRANASH

THE dilemma faced by three generations of the Jain family is an interesting reflection of the changes Indian retailing is undergoing. Each participant in this debate is right on several counts, and yet, each is also missing a few relevant points. To begin with, we should look at the changes in consumer expectations and the aggregate 'value' equation. As opposed to the solitary dimension of price, the expectations now have three dimensions. They are as follows:

Value Expectations: Cheaper is not necessarily better. In the eyes of the customer, value for money could mean that the addition of value, through additional features perhaps, justifies the additional cost. Similarly, if a prospective buyer has had a bad experience with the product, higher price for a value-added version of the same product could be rationalised as a better buy. 'Value for time' is also becoming increasingly relevant: any 'format' or 'outlet' that facilitates more 'shopping per minute' is preferred.

Service Expectations: Service is no longer just serving cold drinks or having five sales people fuss over you, as Tilakraj correctly understands. It is all about many other attributes: availability of products in the right width (stocking of major popular brands) and the right depth (adequate options in size, performance features); availability of information deemed necessary for a purchase decision; and availability of enablers such as on-site 'financing' options.

Comfort Expectations: Increasingly, customers prefer more of their needs to be met under 'one roof'. Apart from enhanced width and depth, they now want a 'better' shopping environment, more enticing decor, easy access to the location, avail-

ability of convenient parking, quick completion of transaction upon purchase decision, and so on.

In the backdrop of these changed customer expectations, it is essential for Neel Kamal Electronics (NKE) to start building differentiators. Tilakraj, the family patriarch, has built NKE the success it is on some very strong values. However, he needs to acknowledge that the external environment has changed and is changing. He must realise that customer needs in future will, most likely, be met through a larger scale of operation.

For retailers, in the not-so-distant fu-

and assess their changed expectations. With this feedback, the Jains can better prioritise their investment plan.

Franchising appears a feasible option for growing at relatively low cost. A roadmap for Mumbai can first be worked out, followed by neighbouring cities such as Thane, and, finally, other locations in Maharashtra. To make it effective, NKE will have to develop various 'standard operating procedures', to ensure that the core values of NKE's current operations are clearly understood by the prospective franchisees and replicated.

The HR function will also have to be

There is no moral dilemma over pricing here. Value, if delivered, must be charged for. Buyers will pay if they perceive it. NKE must inform its customers that value is being added continuously

ture, many of the current differentiators, like shopping ambience and products on offer, shall not be potent enough for a competitive edge. More differentiation will be called for: building the store as a brand, continually higher standards of service, both in the store and 'offline'. Jaideep, therefore, is right in recommending the position of a 'better buying experience'. The Jain family should drive itself into one such position over the next two to three years.

Ramanraj has been wise enough to invest in information technology, to maintain a good customer database, and to undertake HR development. The first step could be to scan the database for a representative sample of loyal NKE customers

strengthened to take care of training and developing personnel at the franchisee locations and to ensure consistency of service at all outlets.

I believe there is actually no moral dilemma over pricing in this instance. Value, if delivered, must be charged for and customers will pay if they perceive it. NKE should confidently communicate to its customers that value is continuously being added: by way of enhanced product mix, superior product assortment, better in-store information and other service, more shopping comfort, and sustained reliability.

Having said this, there may not be a need to charge a premium. Better systems and larger volumes can enable NKE to work more closely with leading manufacturers or brand owners of durables in assortment planning, inventory management and logistics. It can thereby create additional margins.

Brand-building is a continuous process. Thus, there will be no terminal point after 5-7 years, by which time the new NKE brand would have been built. ■

To make its brand effective, NKE must develop various 'standard operating procedures' to ensure that the core value of its current operations are replicated by the new franchisees

Who's The Customer?

There was a growing realisation at Kuello that its customer was not so much the end-user but the retailer, who was responsible for the success or failure of its products

This case study was first published in BW, 7 December 1998

■ MEERA SETH

RAJAN Misra was fascinated by the website supermarket. Scrolling through the site, he read the procedure for using the services it offered and scanned the products and brands available. He saw that barely two or three of Kuello industries' skincare and cosmetic brands were listed.

Misra was vice-president (sales) at Kuello Industries and took a lot of pride and care in ensuring the shelf presence of his skincare and cosmetic ranges. Although website supermarkets were still in their infancy in India, he noted the absence of his products on the list. That bothered him. He called Sudhir Gupta, the sales manager for the western region, and said: "Find out more about this website market and the person who runs it and place all our brands on it."

Gupta was wary. "I have never heard of this man or his supermarket. Do we really want to get involved with these things?" he asked.

"I won't dismiss him so summarily, at least not in today's times," said Misra.

"How many people buy on the Web, Rajan?" asked Gupta. "Fifty, hundred?"

"It's not the numbers. This website retailer heralds the shape of things to come. Don't treat him lightly. I'd say, get to him before



your competitors do," said Misra.

Gupta thought about it. Kuello's sales system allowed the company to sell only to its stockists. "The stockists are our customers and it is for them to sell to retailers," said Gupta. "I will ask one of our stockists to contact the website market."

Misra perked up. "Who is our customer?" he asked.

"One who buys our products," said Gupta. "That is just one part of the definition," said Misra. "But first let us examine who the customer is. The 'customer' is defined as the person who is the end user. He does not necessarily have to be the purchaser. A customer need not be a consumer.

An important part of being a customer is the existence of a purchase or sale. He

may buy a product to give it to another for his or her use, like a mother buys a soap for her child. Or he may buy goods to distribute them to a market of consumers, like a stockist does."

"True. Therefore, the woman of the house and a stockist are both customers," said Gupta.

"But there is a difference," pointed out Misra.

"According to the first part of the definition of a customer, a stockist can be a customer, because he purchases. And for us he is the first point of sale. Traditionally, therefore, we have looked at him being the customer until we realised that there is a second important part of a customer in definitional terms — which is that a customer must have choice."

Gupta was unsure.

"What are you trying to say?" he asked. "Okay, tell me, does the stockist have a choice in what he buys?" asked Misra.

"What is the motive behind the purchase decision? He buys because he has an agreement with us. Once he has undertaken to sell our products, he cannot buy from our competitor. His understanding is for a fixed period and for only our products. He has no choice. He is a conduit to the end consumer who has a choice. But because the stockist

has no choice, he is not our customer," said Misra. Gupta was surprised. "Then what is he?" he asked.

"He is our partner," said Misra. "The very fact that there is a contractual relationship affects our perception of our relation-



**To be a customer
there has to be a
purchase or a
sale — and the
customer must
have choice**

ship with him, because we then start looking at issues like how we can manage his business better, how we can give him good rate of return, and how we can train his people, so that they can, in turn, deliver our products to the market. He is an agent. He is merely a stopover in the distribution route. When you look at it from that viewpoint, the customer in our business is the retailer, because he has a choice which he can exercise. If he doesn't want to stock our brand, he will not buy it."

Misra now pushed the sheet of paper he was writing on towards Gupta. It read: 'A customer is a person who buys a product, who has a choice which he can exercise and a choice which can be influenced.' "It assumes the co-existence of two factors," explained Misra. "One is the power to influence his choice and, two, his power to exercise that choice."

As Misra explained, while advertising allowed Kuello to influence the end user's choice, in the case of a stockist there was no such power, simply because he was already wedded to his choice of brands by a contract. Likewise, explained Misra, the stockist could influence what a company supplied to him, but only to a limited extent. And that was decided by the customer, the retailer, because the retailer decided what he wanted to buy.

"Therefore, shouldn't the focus of our sales, distribution and marketing effort be the retailer?" he asked. "After all, he is the guy who has the choice and if you do not influence him well enough, he will buy from the competition. Therefore, this totally reorients how we look at business. Now look at your website retailer and decide if he is important to us or not," he said.

Gupta got the drift of the discussion.

"What does this reorientation have to do with the end user?" he asked.

VERY simple," said Misra. "The retailer is the point at which an end user seeks satisfaction of his or her needs. And this is where we should structure our businesses. In the case of our skincare products, a customer seeks to address her entire needs. So she wants a soap, a cream, a lotion, a lipstick, an eye shadow, a sun screen.... What happens if her retailer cannot supply her with the entire range of products? She will either buy only a part of her needs or not buy from him at all."

"You are assuming that when a consumer goes to buy, she would like to see the entire range of products," said Gupta.

But Misra was going one step further. "Ideally, she would not like to go to two or three shops to meet her needs. But if she normally shops at a local store, where she gets her basic soap and cream, she cannot meet her entire skincare needs. For instance, if this retailer does not stock Gloderin, our anti-wrinkle cream, her need may be met by another brand."

"Therefore, we need to first target the retailer," continued Misra. "Because, if we don't service our customer — the retailer — properly, somebody else will take him away from us."

Misra explained the dynamics of the retail pull and the end user pull. Earlier, loyalty was dependent on gradually building a relationship with a brand. "Today, the end user is getting information on wrinkle management from everybody who is in the skincare business," he said. "Each talks about pH balances and hydroxy acids. She doesn't need to depend on what Pond's or Avon are suggesting. Given the knowledge base, she tends to become

indifferent across brands. Her loyalty is to a category rather than to a brand. She may have a certain liking for Kuello's Gloderm but Gloderm is not available at Royal Stores. So what does she do? Royal stocks Avon, and that delivers the same performance as Gloderm. So she could end up buying Avon."

"At the same time," explained Misra, "look at it from the retailer's point of view. He asks his stockist for Gloderm, but, say, the supply is erratic and he doesn't get it. He could very well buy a substitute brand, because he is not bound to Kuello or any other company by an agreement. And whose decision is he influencing? The end user's."

"But he has already made that decision for her by stocking Avon," said Gupta.

"And what has Kuello done?" asked Misra. "It has lost the slot on the shelf to Avon. But we are not talking about shelf space. We are talking about the retailer's preference list. Why has he chosen Avon and not Gloderm? Because your service to his outlet is not good enough; you are not well-represented in his shop."

Misra felt that a consumer who sought skincare was looking at a vast range of skin aids simultaneously. Therefore Kuello, which made lotions, moisturisers, sunscreen lotions, soaps face scrubs and so on, should ideally present its entire range as a portfolio to her under one unified window, where soap, cream, lotion, make-up, all come under one category or business group. "Therefore, shouldn't the company categorise its businesses according to what the consumer wants?" he asked.

KUELLO manufactured three broad categories of skincare products — soaps, skincare products and coloured cosmetics. These categories were managed as three distinct profit centres. "As far as I can see, all these products come under one umbrella for marketing and distribution," Misra said.

"The customer is looking at a menu that will meet all her skincare needs. This starts from the basic level washing the skin to moisturising it, de-wrinkling it, night-repairing it, or sun screening it, till the cosmetic stage of dressing it up, painting it and preserving it. That is the need you are addressing, and that need cannot be fragmented." Likewise, from the retailer's perspective, too, he saw how Kuello could organise its businesses. "If a consumer wants a total solution, a unified window, the customer — that is, the retailer — should be able to give it to her. Right?" he asked.

Misra put forth more reasons for shifting the focus to the retailer. Important among these was the growth of supermarket chains in some parts of the country. "In Chennai or Bangalore you have FoodWorld and Nilgiris. In Delhi you have Nanz. These supermarkets have something like 20 outlets each. Now, this

supermarket retailer is very different from other retailers. Earlier, a retailer meant one outlet. Now when the Nanz agent comes to me, he is talking about 20 outlets. He is a big customer."

This man was reaching out to more people, and he had the power to influence the buying habits and brand preferences of a large segment of consumers. As Misra said: "If he says he does not want Gloderm, he does not want it for 20 outlets." That meant Kuello would lose out on the opportunity to be present in 20 large outlets that were self-service stores, where significant numbers of end users went to buy their entire week's requirements — from meat, eggs and flour, to soaps and cosmetics.

If a customer went there to buy her entire skincare needs, it was because this supermarket was more likely to have a wider range of such products. Therefore, if Kuello was present there with all its products, there was a greater possibility of her selecting Kuello's brands rather than those of others. It, therefore, seemed appropriate to Misra that Kuello should now be promoting its entire range of skincare mission under one umbrella.

"As a company, are we really doing that: addressing a consumer's needs in totality, as a total skincare solution?" asked Misra. "Second, are you recognising that the people who are actually stocking your products can now influence or impact your off-takes so much? Earlier, you were looking at a retailer's one outlet, two outlets, but today, this guy is offering a variety of brands tastefully stocked in each of his 20 outlets all over Chennai."

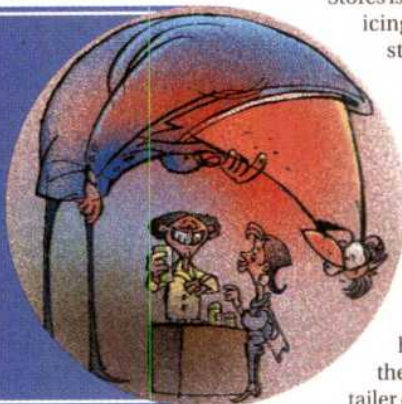
The large, supermarket style of shopping was catching on among the urban consumer. Some of these outlets were trying out innovative ways of attracting the consumer, like offering shop credit cards against which consumer could buy her entire month's needs. "This means that in places like these, the number of visits to the store is reduced. And when the consumer does visit these stores, she makes her brand decisions for the entire month. For example, she will buy three jars of Milo that will last her the entire month, or two jars of Gloderm. Can you see what a great brand-driver such stores can be?" asked Misra. "Therefore, in the face of this retail revolution, shouldn't we reorient the way we are distributing our products?" he said.

Last week, he had a taste of this imminent revolution. Sitting in her Churchgate office, his wife had faxed her month's requirements of provisions on a computerised standard list provided by her *kirana* store on Pali Hill in Bandra, which promised to deliver them at no extra cost. "And do you know, starting January 1999, he will accept email orders?" said Misra incredulously. "This means more people will buy from him and more consistently."

Kwality Stores was all of 400 sq ft, had four delivery boys and sold over Rs 20 lakh worth of goods every month. "Kwality

Stores is important for us," said Misra. More than servicing, his priority was to persuade the store to stock Kuello's brands rather than those of the competition. Of the six face washes in the market, Kwality stocked three. However, it did not stock Gloderm face wash. "Now think about it, 800 households who shop at Kwality will be cut off from Gloderm. See? It's not the numbers, it's the opportunity," said Misra. This really meant that while Kuello targeted the end user in its advertising, it could be leveraged only with some additional inputs to the retailer, who had now become very relevant. "What use is it then if our stockist carries Gloderm, when the retailer doesn't buy it? If the stockist is a mere stocking

The retailer was more important since, unlike the stockist, he could influence what a company supplied to him. He was the conduit to the customer



and distribution point he has very little bearing on the purchase decisions of the retailer. The retailer is more critical and a very different creature in today's times. I feel that the field force is not geared to or capable of handling this new avatar. Today's retailer is armed with computers that give him accurate details of how much stock was bought, when and by whom and what his stock keeping units (SKUs) were. He has bar-coded his stock and knows the minute details of his purchase pattern and what it is doing for his sales," said Misra.

Like most other companies, Kuello, too, focused on stockists who, in turn, dealt with the retailer. Misra now dropped a bomb shell. "We should do away with the stockist sales force's interaction with the retailer. They should at best be order-takers, not influencers, because they neither have the brand commitment nor the drive to influence the retailer. Our field force should deal with the retailer directly."

Misra proposed that they begin by implementing this idea with the supermarkets. "If you superimpose the Kwalita phenomenon on Nanz or FoodWorld, the ramifications are huge. Twenty stores, large volumes, large values, large throughputs.... If a FoodWorld does not accept Gloderm, we are cut off from 20 outlets or 20,000 households. The supermarket is the trend of the future. A supermarket owner does not want to deal with different sales teams for each product group. He'll say send me one manager with whom I can place my orders for all your products for all my outlets. Are we geared to that?" asked Misra.

And that was what a supermarketier told him: "I am a big businessman with 20 stores that sell Rs 25 lakh per month of all your products — from cosmetics to mosquito repellents and beverages. Are you going to offer me the same service that you were giving me when I was a one-store business and sold goods worth Rs 4 lakh per annum?"

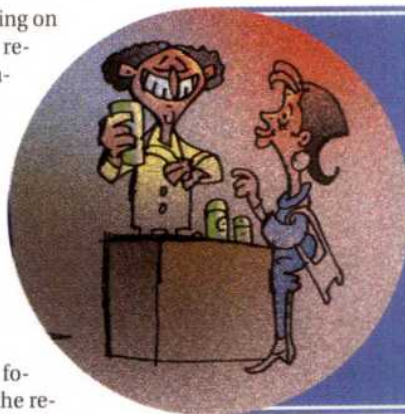
"So how can I help?" Misra had asked.

"I want one man from your firm to deal with me. I don't want to deal with 30 different price lists. I may want different discounts systems, different merchandise, different incentives.... I may want a different reward scheme instead of the standard 5% retail margin. Don't forget, I sell Rs 25 lakh worth of your products."

SO when push came to shove, some large retailers, particularly the supermarkets, had begun to launch their own brands. So Kuello was now competing with the retailer's brands at the supermarkets. For example, a commodity like *atta* was being packaged and branded by the store. As a friend in a foodstuff firm told him: "My competitors in *atta* are no longer regional, like those in Gujarat or Maharashtra, but are like this store brand."

Misra had seen this trend growing. "What more endorsements do you need?" Misra asked Gupta. "How are we geared to this nascent but growing trend?"

Kuello, he felt, needed to look at differentiated distribution strategies for different types of markets. Trade in Chennai or Bangalore was highly developed; the number of supermarkets was growing there. In Mumbai, the concept was slow to take off, since space was at a premium there. But website or email vending showed promise. Retailers operating out of 300 sq ft shops could soon move to virtual shopping on the Internet. "Mumbai may be the first city where large retail outlets could go out of style," said



Another important reason for shifting the focus to the retailer was the growth of supermarket chains, which could influence many more customers

Misra. "You won't need large space any more. Sure, the original theories on stocking and brand preferences will hold good. But the retailer is getting savvy. So you will need to get savvy too."

And that meant changing the sales management structure, changing the incentive system from the brands or products to total purchases from a company. Or separate schemes for different markets, even different stores. "And these may be different from what you may have in mind," said Misra. "Nanz, for instance, may offer two one-litre bottles of coke free with purchases of above Rs 1,000 of its store brands of pulses. How do you cope with that?" asked Misra.

The overpowering issue was the critical nature of the trade. More than selling a product, the retailers were selling a shopping experience. So in the case of the virtual reality shop, the consumer sought that experience on the screen. "Therefore, we need to anticipate these trends in retailing which are fast catching on here. How do we gear our distribution to match that retailing pattern?"

Today, the distribution strategies of most firms were geared to the retailing pattern. It was time to plan for the changing retail scene. "Appoint account managers who focus on a single large account like a supermarket," Misra suggested. "Or three or four big-volume outlets. He will address all orders — for mosquito repellents, floor hygiene care products, soaps, or cosmetics." The focus on the big-ticket retailers was gaining ground. There were many single-shop retailers with big volumes. Like on Mumbai's Napean Sea Road, where new retailers could not come in given the cost of property; three or four big outlets had volumes of Rs 1.25 crore.

"In short, we must recast the entire sales approach," said Misra. "Therefore," he continued, "why not have a 'sales manager — key accounts', who will handle three or four big retail accounts? If we can have a territory manager for Chennai city, which accounts for Rs 8 crore in cosmetic sales, wouldn't a FoodWorld, or a Nilgiris and other equally large accounts together be worth the same attention? Think about it."

Naturally, even the supermarkets themselves would want a central point of purchase for all their outlets. As the head of one supermarket said: "There are some items where I do not want to carry stocks. For instance, I want fresh *atta* whenever I ask for it. I am in a metro, why should I go through a stockist? Your factory should be able to deliver fresh stocks on demand."

When Gupta contacted the website supermarket, the owner said: "I will place my orders with you for all your products every Monday morning via email. How your internal sales management is structured is not my concern. I want a single point of contact and prompt servicing. Because my USP is virtual time. If you can cope with that, great, we can do business together."

ANALYSIS I: S. MURTI

Monitor The New Age Retailer

S. Murti is general manager of the FoodWorld chain of supermarkets, a part of the RPG group. He has wide experience in marketing and supply chain management in the retailing industry.



RAVI SHANKAR

RAJAN Misra is a futuristic manager who recognises the fundamental changes taking place in retailing. The quantum shifts which he envisages in the future are:

- Redefining who the customer is for the manufacturer.
- Changes in shopping habits, specially the shift from *kirana* stores to supermarkets, since they offer more value to the end consumer in terms of choice and convenience.
- Redefining the market in terms of shelf space, since this directly reflects sales and also helps increase it.

Why does Misra think that the organised retailer is as important as a customer? These retailers are well-versed in the art of brand building and, in a broad sense, manage more brands at any given point of time than the brand management teams of most large fast moving consumer goods companies. It is only logical that this mega brand management team should be adequately motivated to focus on a particular brand.

But with improving technology, new products and variants are easier to launch and to be copied by competitors. So, it is more difficult to build a brand, as trials and usage are now split across more segments. The informative role of advertising is becoming increasingly difficult in the face of clutter and spiralling media costs. New products can grow into strong brands only if they are well supported at the points of purchase through display and promotion.

It is in this context that the role of the organised retailer assumes critical significance. Traditional 'mom and pop' stores in their 300-500 sq.ft of space have obvious limitations with regard to display and point-of-purchase cues. They are slowly shifting from meeting the shopper's monthly requirements to convenience. They are focusing on catering to the locality's convenience by keeping longer hours, offering smaller pack sizes, and so on.

In this situation, customers will increasingly turn to the large retailers/*kirana* stores for their monthly requirements. But these stand-alone stores might face increasing operational problems in terms of credit, manpower and so on. As in all other developing economics, customers will seek

the 'touch, feel and see' experience in their quest for a better lifestyle and standard of living. And this experience can be provided only by modern supermarket chains.

Given these factors, Misra must seek a paradigm shift in the mindset of the sales team — from booking orders to servicing retailers. This partnership can flourish only if the sales teams understand what is important from the retailers' point of view and structure themselves to cater to these needs. It should focus on:

Supplies And Stocking Levels: Given the antiquated distribution systems in the country, erratic supplies are the norm. This regularly leads to stockouts, old stocks, and so on. This shortcoming stands exposed in a supermarket environment where every product has its own space. If no stocks are available it is immediately noticed.

Organised retailing, by definition, gives more value to the end consumer by shortening the supply chain and making it more efficient. This is done by having a cen-

mind the retailer's operational convenience. Varying heights of a category of products, for instance, lead to severe operational problems for the retailer in terms of readjusting shelf heights. Advance information on new products would enable the company to place them on the shelves of the stores faster.

To make this partnership meaningful there should be a parallel sales organisation reporting to a common sales and marketing head. This organisation should function like the client servicing team of an ad agency. The role of this team should be to drive sales by being the representatives of their respective supermarket chains in the manufacturer's organisation. It should also focus on value addition like training programmes for the store staff, special launch programmes, customer profiling for the supermarket chain and so on.

A national head of special accounts should be supported by a 'special accounts manager'. He should be based at places

Considering how fast supermarket chains are growing, Misra must seek a paradigm shift in the mindset of the sales team

tralised distribution system, where the supplies are received at a common single point and then redistributed to various stores, depending on demand. Thus an organised supermarket also acts as a stockist for the company. This distribution structure requires a different kind of supply pattern, one which leverages the benefits of this centralised distribution rather than duplicating it.

Uniform Supply And Credit Terms: Supermarket chains have stores in different cities that coordinate with different sales managers of the manufacturer. At present, there is a wide variation in supply terms like credit periods, promotion, and so on. A partnership would eliminate these variations and lead to a more efficient and long lasting relationship.

New Products: New product packaging in our country is rarely designed keeping in

where the supermarket chains are headquartered, responsible for that particular chain of stores and supported by a sales team in each of the cities where the stores are located. This team should be supported by two functions:

Category Managers: They should plan for a particular category, to achieve category dominance by adopting a suitable basket of brands for the relevant supermarket chain based on the customer profile.

Marketing analyst and promotions coordinator: He will analyse sales data, customer profile data, comparisons with the sales trends of the other retailers, and so on. He would be responsible for devising promotions specifically tailored to meet the unique needs of that chain of stores. His job would involve extensive interaction with the sales team, the category managers as also the traditional functional teams. ■

ANALYSIS II: SUNDER HEMRAJANI



Tread Cautiously

Sunder Hemrajani is a management consultant. After a 14-year stint at Hindustan Lever, he was at Whirlpool as vice-president till June 1998.

PARTNERS in Business, 'Partners in Progress', 'First Customer' are different terms used by several companies to define their relationship with stockists. Literally, the terms may be different but the sentiment they connote is the same. Stockists are indeed one of the important stakeholders of a company. 'Stakeholders' are those with an interest or stake in a company's success. Stakeholders include shareholders, employees, suppliers, retailers and consumers.

Progressive companies evolve a strategic design, which enables them to create value for all the stakeholders. In a way, all stakeholders are dependent on one another to be successful. Shareholder value can be achieved only through success in the marketplace... and only if the retailers and consumers select your products and services instead of those offered by your competitors.

However, the idea that stockists do not have a choice is quite dated. Stockists take on a company's business out of choice. Many companies have learnt this lesson the hard way. A loss of one good stockist can lead to a loss of 100 retailers and 1,000 valuable consumers. Misra needs to tread cautiously while expounding on the primacy of the retailer.

Misra is trying to make Gupta aware of the changes in the consumers' buying behaviour and the evolution of trade channels. In a country like India, which has a well-dispersed population, the consolidation of trade has been slow but quite steady, especially in the large metros.

The major bottleneck has been the lack of infrastructure around the country. Chaotic conditions on the roads make it difficult for consumers to drive long distances to make purchases. Low labour cost enables your neighbourhood *kirana* shop

to send a boy on a cycle to deliver one cake of soap at your doorstep. On the other hand, the trade continues to get fragmented in the rural areas, where retailers are moving closer to consumers as the road network evolves. The channel architecture of multi-product companies like Kuello would need to recognise these diverse trends.

Spiralling real estate prices in the metros have adversely impacted the growth of the retail trade. There is a slowing down of the consolidation process. Efficient servicing has become critical for getting higher penetration in the outlet.

Rajan Misra seems to have understood that the trade service strategy would need to be reviewed in the light of changes in the trade scenario. The key

small they are, could result in poor service and incomplete product range, or worse, allow competition easy entry into consumers' homes.

Sales organisations are meant to service the distributions system. They are meant to build skills and capabilities in the system which could give a company a competitive advantage.

Restructuring a sales organisation to service evolving segments is not uncommon. Haven't we heard of a separate sales structure in most organisations, which services the Canteen Stores Department (CSD) — a very large account for many companies?

Integration of businesses for servicing consolidated trade like supermarkets and chain stores, apart from improving the

The idea that stockists don't have a choice is outdated. A loss of one good stockist can lead to a loss of 100 retailers and valuable consumers

questions he needs to answer are : which consumers would Kuello service in the future; through which channels will the company reach its consumers; what skills and competencies would Kuello need to build; and what is needed to build a long-term competitive advantage in reaching its consumers?

Servicing a website supermarket or a chain of superstores like FoodWorld, Nilgiris or Nanz would require a set of skills and capabilities that is currently not present in the stockist system. Channel architecture would have to be flexible enough to cater to the evolving trade segments. Ignoring emerging segments, howsoever

negotiating position of the supplier, can lead to a responsive and cost-effective service infrastructure, the benefits of which can be shared. A long-term relationship can be profitable for both if the parties work together to reduce costs in the supply chain. Needless to say, the benefits are shared by all — market, retailer and consumer.

It is quite apparent that Misra would need to reorient the strategic architecture of the company in the light of changes in the environment. Market leadership can only be achieved through:

- Leadership in trade satisfaction by delivering superior customer service.
- Penetration of key accounts and emerging trade segments.
- A high-quality selling organisation that consists of people having the requisite skills, and sales processes that are built around information technology. All this facilitates sales analyses and efficient service to the trade.

Servicing website supermarkets or supermarket chains requires a set of skills and capabilities that is currently not present in the system

The Signs In The Aisles

The signboard advertising the new pasta from Chef's Choice must be placed in the right place to attract shoppers. So, what exactly would that be?

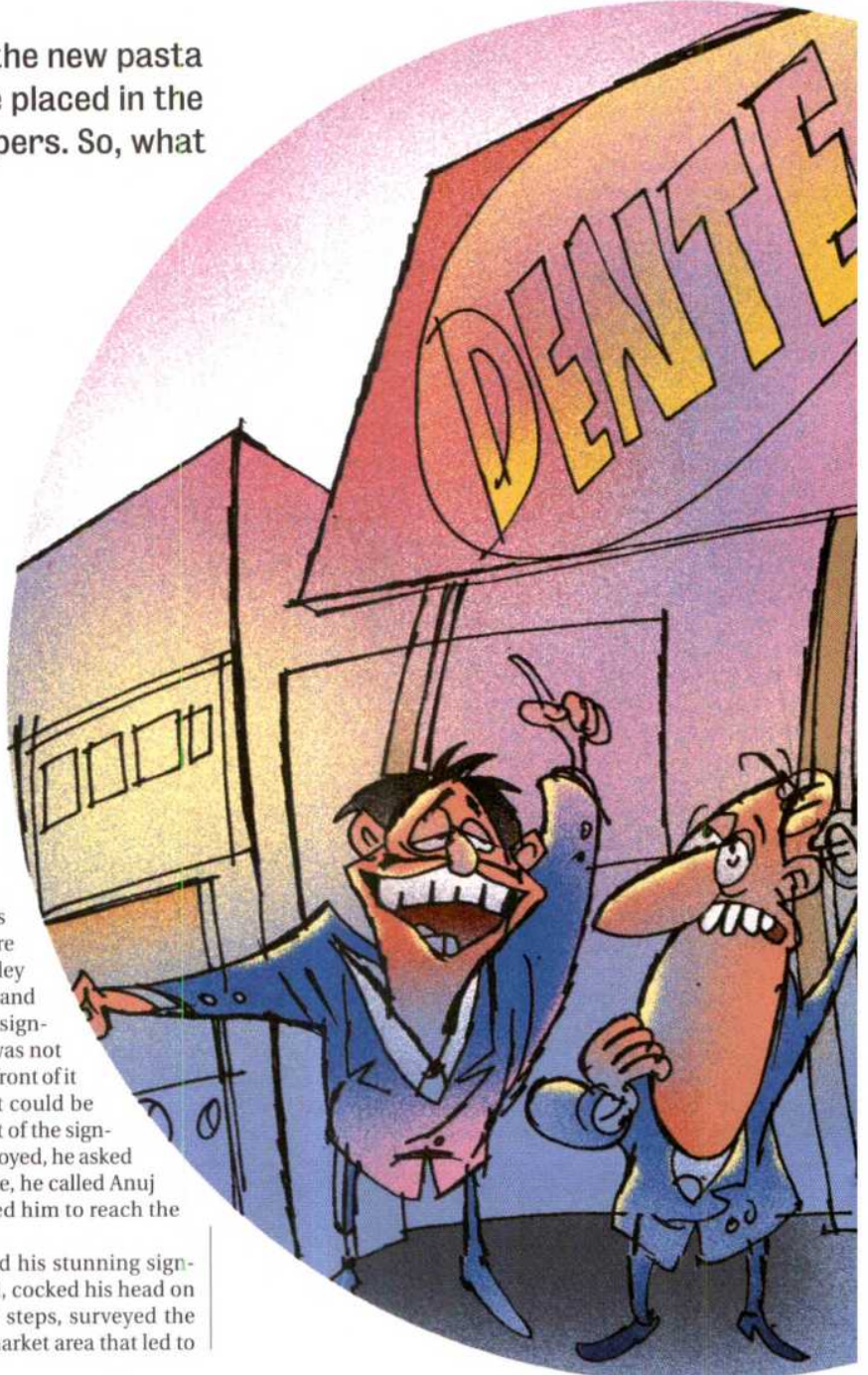
This case study was first published in BW, 8 November 1999

■ MEERA SETH

PRAMOD Ahuja stood long at the entrance of Shop Point supermarket and scanned the store, looking at all the signboards around. Fifteen days ago, he had commissioned a signboard for Chef's Choice's new pasta, Dente — a tubelit colourful four by three — which he had asked to be positioned strategically at Shop Point. But the signboard was nowhere in sight.

Pramod, the sales director of Chef's Choice, then sought the attention of the store manager, who led him to a spot next to the alley that stocked rice, wheat flour, lentils, spices and sugar. He was numbed. There stood his signboard, lost in a corner, where the lighting was not exactly beckoning attention. Worse, right in front of it lay two huge stacks of wheat flour. All that could be seen even from up close was the top two feet of the signboard — certainly not the message line. Annoyed, he asked for the flour bags to be removed. Meanwhile, he called Anuj Patki, his assistant sales manager and asked him to reach the store immediately.

The space now cleared, Pramod viewed his stunning signboard with pleasure. He adjusted the stand, cocked his head on one side, viewed it again, walked back 10 steps, surveyed the board, turned left and surveyed the supermarket area that led to



the signboard.

Yes, that was where the shoppers came in from. But no! The signboard faced the alley at an angle, which meant the shoppers entering the store would not see it, or even if they did, they would have to turn around to study it.

Pramod walked away and stood near the cosmetics counter which ran perpendicular to the grains alley... and watched. Shoppers walked straight into the alley without even glancing at the signboard. Pramod went up and turned the board around, so that it now faced the entering shoppers.

Next, he decided to go into the alley to see if the signboard impacted the shoppers. He ambled down, trying to appear like any shopper, glancing at the shelves, eyes darting now and then to

study the shoppers... until he reached the very end of the shopping alley.

Dente was not among the wares. Nor for that matter were Maggi, Top Ramen, Bambino or Spiro.

Pramod was looking around for the store manager when Anuj strode in. "This is absurd!" said Pramod in a half-whisper. "That signboard has been stuck in an obscure corner and you didn't even think of the clutter. Have you been monitoring it? And where is Dente? It's not even on the shelves!"

Anuj was confused. He had personally placed 30 packs of Dente only two days ago. That's when he realised Pramod's mistake. "You're looking for it in the wrong alley. Pasta is over there, with all the ready-to-cook foods," he said as he began to lead Pramod two alleys away.

Pramod was annoyed. "Then why is the signboard here?" he asked. "Shouldn't it be where the shopper finds pasta?"

"But there is no place there — no wall space," said Anuj.

"Find a solution!" said Pramod in a low growl. "The idea behind having that signboard announcing a new product is to convert the message into interest and interest into purchase. And that means placing the product

within two minutes of the product announcement. For that is how long a message remains fresh in a shopper's mind. His mind says Dente, Dente, Dente, and bang! he sees



Pramod was stunned. There stood his signage, in a corner of the store, where the lighting was bad

Dente and picks it up."

"Let's take a look at the pasta alley," he said to Anuj. As they walked past the two alleys, Pramod noticed some stickers on the dividing walls: 'Soon arriving, Chef's Choice range of healthy soups — Cup-a-day'.

Pramod winced. Cup-a-day was launched eight months ago, but the stickers remained. What was worse, it was likely to confuse and even deter prospective shoppers of Cup-a-day. Turning to Anuj, he said: "This is real absurd. Don't we have a system that also pulls off old point-of-purchase material (POP)?"

By now, both men were facing the pasta shelves. The top two shelves were piled high with Maggi on one side and Burly's on the other. The third shelf was an assortment of Top Ramen, Bambino and a few packs of Dente, while the fourth shelf was entirely Dente.

Pramod watched the shoppers pick up multiple packs of Maggi. That was natural, he thought to himself. Just then a lady came up, accompanied by her teenage daughter. "Let's buy Top Ramen," urged the girl. "Remember the ad? Shahrugh was too good!" The mother picked up four packets of Top Ramen noodles.

Pramod nudged Anuj. "Go on!" he said. Anuj walked up to the lady and asked: "You just chose Top Ramen. Not Maggi?"

"We always buy Maggi. When these kids are studying for an exam they are perpetually hungry. Maggi is easy that way," she said. Smiling, she said: "My daughter likes the new Shahrugh ad so much, she wants to buy Top Ramen."

"Since you eat so much pasta, you must have tried Dente?" asked Anuj. The lady looked thoughtful. "No..." said the lady. "Never heard of it."

"Oh, I just saw a signboard for Dente, fortified with vitamins and all that," said Anuj casually. "What signboard?" asked the lady. No, she hadn't seen the signboard.

"That's what I mean," said Pramod later. "She remembers Shahrugh so she buys Top Ramen, but had she seen the Dente signboard she may have reached for the Dente packs and read it. Even bought it. Shoppers are strange animals. There is no saying why they buy. Supermarkets are a marketer's delight. It's a sure-fire vehicle for impulse purchase."

Anuj wouldn't agree entirely. "See, many are walking around with lists. They know what they want," he said. "Therefore, if a shopper has come to buy Flora cooking oil, she will buy just that, not Saffola."

SURE," agreed Pramod, "There are some products, typically cooking medium or toothpaste where brand loyalty is high and rarely does a shopper switch over. But in casual food or snack food items, you will find a high level of adventure. So, there is a list and much of the list is bought.

"But examine their cart and you will find at least 40% of the contents don't feature on their list. They buy what they see: a product or a message that has just been introduced into their database which keeps ticking till they encounter the product. Want to test it? Okay, this lady is stopping at the soaps section. Go, ask her 20 questions."

The lady picked up two each of Rexona and Imperial Leather. "So you are a Rexona family?" said Anuj. "Nothing like that," said the lady, a trifle self-conscious. "I just picked it up."

"What brand did you come to buy?" asked Anuj. "I change my

brand once in a while," replied the woman.

"Okay, let me ask you that differently," said Anuj in a friendly manner. "What brand were you looking for? Why Rexona and not, say, Liril?"

"Oh, there is this offer on Rexona. Buy two, get one free..." said the lady with a grin.

"That's nice," said Anuj. "But you must have a family brand..." The lady laughed. "Not really, just Cinthol. Over the years our bathroom has smelt of Cinthol, somehow one gets used to things like that. But we also use Lifebuoy Gold, Lux..."

PRAMOD smiled at Anuj. Walking back towards the pasta shelves, he said: "See? She saw all the soaps, surveyed, decided on Rexona. It's not even her brand. So, you see how the psychology of buying works? It's fascinating Anuj — there is a lot to learn by just watching these shoppers.

"This place is like a virtual TV screen. Try and hear what is going on in their mind. Watch their eye movements. At what point in their browsing are they pausing, getting distracted? Isn't that the point where your POP and signboard should come in? So, where can we place the signboard so that it is noticed? Now, standing here, can you see the signboard?" he asked.

"How can you, Pramod?" asked Anuj. "It is two alleys away." "Precisely!" replied Pramod. "This is the foods alley, the place where new food products signages must appear regularly. But our Rs 1.5-lakh signboard for Dente pasta is sitting next to Annapurna Atta! What's the point? Or it should be the first enormous thing you see when you enter the store!"

Anuj examined the signboard area. Shoppers came in from the west end of the store, picked up their trolleys from the right side alcove and rode into the first alley, the nearest one — cereals, milk food, cooking oils, ghee.... Zigzagging through seven alleys, they emerged at the exit of the eighth alley where the bulkier items like rice, wheat flour, lentils and sugar were stocked. It was the point where Dente's signboard stood, bold and bright, but right in the way of the overloaded carts and exhausted shoppers.

"Well, they see it as they are leaving," said Anuj. "That's pointless, isn't it?" said Pramod. "Why do I want a Rs 1.5-lakh signboard at a place where shoppers are not going to be impacted? At a point in their buying process when it does not matter anymore? If they are going to see it while leaving, if you can't get their attention as they are entering, you may as well make a bonfire of the signboard. More likely they will see it then!"

"Please understand supermarkets are designed for impulse purchases, for spot decisions," he went on. "It is not a place where you collect information, store it and say, 'Okay, next

time I will buy Bristo's pet food.' The decision to buy happens on the shop floor, on the spot... tadaak, like that! You see, you decide, you buy."

Pramod was by now very unhappy at the way the whole store was laid out. "Did you notice where Dente was placed?" he asked Anuj. "Fourth shelf..." said Anuj, as he readied himself for more outbursts from Pramod.

"And didn't I say it must be right at the top? At eye level?" asked Pramod. "It must be the first pasta you see as you hit the section. No-no-no-no-no! This is a waste of all our efforts. Fourth shelf! You know when you see the fourth shelf? When you haven't been able to make a decision on shelves one, two and three. When a shopper has made her decision on shelf one and left, your brand sitting on shelf four has just died. And it will rest there in peace till our bankers retrieve it to recover our loans! And where were our POP danglers?"

"At the head of the alley," said Anuj, hopelessly.

"What's the point?" asked Pramod. "If you have the POP at the start of the alley, why didn't you place the product right there? The point where you inform must be the point of display and sale. That's the role of merchandising. You can't have product information at one point and display at another. Shoppers don't cause such connectivity. The buying decision is more random than linear in a supermarket."

Pramod and Anuj, talking in low voices, had by now reached the head of the first alley. "Hey, that's Maya. Let's see if she saw the signboard," said Pramod.

Maya was the legal head of Chef's Choice and she was standing at the head of the first alley, browsing among the cereals. "Hi!" said Pramod, startling Maya. "Let me watch you buy," he teased.

Maya laughed. "In that case, I must disappoint you," she said. "I came for cooking oil and I have finished the buying act. Sorry Mr Sales Surgeon, you must look for other prey," she said, dropping a packet of wheat germ into her basket.

Pramod retrieved the packet of wheat germ from her basket and read: "Bagry's wheat germ — big health trip! Good stuff?"

"I have no clue," she said. "I'm buying it for the first time."

Pramod and Anuj laughed. "Do you women ever buy the same brand a second time?" asked Pramod. We just met another lady who was buying a soap she had not used in 30 years. Say, why are you buying wheat germ if you don't know anything about it?"

"Time-pass," said Maya. Then after a pause, she said: "Actually, I am waiting for my husband. He is at the ATM downstairs."

Pramod was intrigued. "Now this is interesting. Tell me, what cereal do you usually eat?"

"I don't eat cereal, Pramod. I am a diehard *alu parantha* fan," said Maya.

"No? Then why wheat germ?" he asked.

"Look, I wasn't looking for wheat germ, I wasn't looking for anything save my cooking oil. I told you I was waiting for my husband," said Maya.

Pramod noticed the cereal shelves were close to the main entrance to the store. "This is fascinating!" he exclaimed.

"Shut up, Pramod," said Maya. "I go and buy wheat germ and you react like I wrote *The God Of Small Things*."

"Maya, you won't understand," said Pramod, even as Anuj laughed. "Look, you came to buy cooking oil, you don't eat cereal, yet you have bought wheat germ."

Pramod asked Anuj to observe the shoppers. At what point in their browsing were they getting distracted? That was the point where the signboard came in



Maya looked incredulous. "Is this what they pay you for?" she asked. Anuj laughed and said: "See, this point is strategic to Maya. From here she can see when her husband returns. It's incidental this shelf has cereal. If it were shaving creams, she would have bought shaving creams."

"Don't be absurd," said Maya laughing. "See that?" she said, pointing to a hand-drawn poster placed above the cereal shelf. It was an A4 size sheet with a handwritten message on it: 'Get your fibre, get rid of cholesterol'.

"That proves my point conclusively," said Pramod. "A forceful message at the point of purchase enables purchase..."

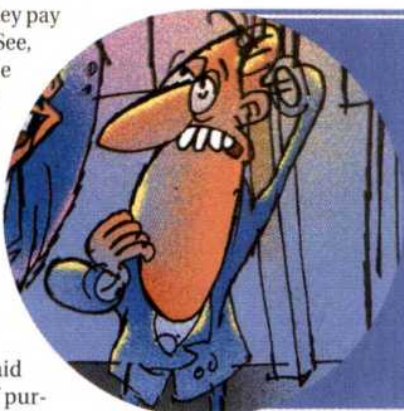
"Pramod," said Maya, "I am not one of your archetypal shoppers who is armed with lists, has brand preferences, makes decisions and cost benefit analyses... I already told you I came for cooking oil..."

"But nevertheless, you bought wheat germ Maya," said Pramod. Then surprised at himself, he said: "No, you won't understand. You are arguing this 'legally'. Anuj, pay attention to what is going on. Shoppers can't be put into slots. They do crazy things, like Maya and that Rexona lady, and that's my point. You have to punctuate their shopping craze with deft, well-placed, well-timed messages and capitalise on their unpredictable behaviour. The supermarket is a virtual television screen. In fact, it's better than that, it is a live commercial, even better, for it has a ninth dimension, feelings.

"And mind you it isn't even the usage situation, like in a TV commercial. That Rexona lady wasn't bathing. She was imagining a bath, her granny, her childhood, and in a moment she has bought a soap she has not used in 30 years!"

MAYA was by now staring at the two men with a look of extreme concern. "Is this how you spend your Sundays?" she asked. "This boy should be out on a date, not studying women who use Rexona." But Pramod went on: "Ditto in the case of Maya. She does not eat cereal, yet she has been made to think of fibre, cholesterol.. and she is soon saying to herself: 'Why not?' And she buys wheat germ. That little poster, that message was the enabler. Now, think about Dente. What value did we get putting that signboard in a corner, at an exit point?" he asked.

"Okay, it was the only available space," he went on, "but is it leading to purchase? Is it enabling purchase? And who is noticing



Pramod said: "You need to ask: where in this whole 6,000 square feet store can I get the biggest bang for my buck? Where will this signboard make sense?"

it? The shopper heading for the cash counter. And what value is that at that point? Zero!"

Anuj was making a lot of connections in his mind. He was beginning to see Pramod's drift. "But you need to ask," Pramod was saying, "where in this whole 6,000 square feet store can I get the biggest bang for my buck? Where will this signboard make sense?"

"You know, we need to look for gaps in people's lives and put messages there," Pramod continued. "Like the elevator, where 20 people stand staring at the ceiling. Now, I would like to put a message for deodorants or oral care there. Like 'If you brush your teeth after every meal, that is at least 50 visits to the dentist saved, or Rs 20,000. Try Colgate'.

"These are great situations for selling a product usage habit which is otherwise difficult to imbue in people. Even an office toilet is a great opportunity for, say, Reckitt to say: 'Remember to pull the flush, the Harpic ball in this flush tank will ensure a bacteria-free toilet before your next visit.'"

Maya despaired. "Bye guys," she said, spotting her husband. However, Pramod was possessed. "Look at that cafeteria there," he persisted, pointing to the store's fast-food counter. "There are six people waiting to pick up their colas. Just watch, three whole minutes of staring, while that man fills one glass at a time, then goes looking for straws... That's where you need a dangler which says, 'Our floors are swept with Domex so that you have a bacteria-free environment as you shop and eat... Imagine the value of a sign like that in a place like McDonald's. How many people will read it!'"

Anuj looked around. There were at least 150 shoppers walking around, lingering, hastening, browsing, choosing, rejecting, turning back, changing decisions... How was he to catch their attention? Or even know what grabbed their attention?

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ANALYSIS I: SURESH NARAYANAN

Signage Is Not So Simple

Suresh Narayanan is executive vice-president at Nestle India.



DINESH KRISHNAN

A well-known phrase in the trade sums it up: what is seen is what will sell! Pramod and Anuj are confronted with a serious, albeit controversial, question of sales and marketing at FMCG (fast moving consumer goods) companies: What does it take to grab a shoppers' attention, and how do you implement and measure the impact of merchandising and display?

Numerous theoretical constructs offer relationships between the power of branding, providing stimuli for reminders and translating it into the marketer's bonanza — purchase. Pramod and Anuj are indulging in similar gymnastics of logic, observation and processes in consumer behaviour to ensure that the Dente signboard does the 'Superman' act of herding shoppers to grab the brand, set the cash registers ringing and make big brands bite the dust.

If the process of consumer choice was so simple as well-placed signage, we would be literally eating, sleeping and drinking colas! Obviously, there is more to strong brands than resplendent signages. A look at the issues:

The Power Of Branding: If your target is the educated, urban consumer in the supermarket ambience, nothing can substitute for the trigger of a strong brand. You can remind shoppers of your presence, put up the POP (point-of-purchase) material and debate the size, aesthetics and position of the signage — none of this helps if the brand is a dodo.

Shelf Presence: Assuming Dente gets its branding right to combat its competitors, Pramod is dead right on his shelf observation. There is a science and art in putting your brand on the shelf and keeping it in large quantities, neatly stacked at eye-level. It reinforces the trigger to purchase. Ensuring constant stock pressure, clean stocks and branding upfront get you a plus. I recall the drill when I began my career at Levers: wipe clean every Dalda tin on the shelf because a dirty tin is lost sale!

Role Of POP: Designing outstanding POP material is the art of blending relevant aesthetics into the corpus of singular brand

focus and reinforcing the 'reason to buy'. One often finds, in many companies, that the sales and marketing teams ignore the need for simplicity to create material that's neither fish nor fowl, pandering to the ego of its creator but of little interest to the consumer. Maya has endorsed, in terms of her purchase of wheat germ, the tacit principle of good POP — get more of the fibre of branding and get rid of the cholesterol of irrelevant aesthetics!

Triggers To Impulse: With a multiplicity of brands, yesterday's market leaders getting toppled and the reality of large stock-keeping unit inventories, I wonder whether Pramod and Anuj are right in rationalising purchase behaviour in terms of 'steady state' brands and 'impulse' brands. Notwithstanding the merits of the logic that the Rexona lady has defied, it remains a truism of shelf management that 'eye-level' or 'hand-level' (if kids are involved) displays, and breaking shopping monoton-

would be anecdotal.

However, 'measurement' of merchandising with reasonably robust parameters and giving a syndicated feedback to marketers could be the next bonanza for market research agencies once the Y2K business thins away!

In-Store Buying Behaviour: While the imagery of a 'virtual TV screen' is evocative and worthy of kudos at a presentation, a lot of Pramod and Anuj's rationale is pure logic punctuated with glimmers of psychological insight. Understanding the jigsaw of branding, merchandising, promotions and determinants of buying behaviour for various product categories is a huge area of learning for marketers.

Maybe Pramod should commission a quick study on what will get Dente off the blocks in the supermarket. It is too simplistic to pull up Anuj on the placement of a signboard at the store as the cause-effect for Dente's performance, even if Rs 1.50

If the process of consumer choice was so simple as well-placed signage, we would be eating, sleeping and drinking colas! There's more to strong brands resplendent signages

ony with 'impulse' brand counters with attractive consumer offers does help.

Any FMCG marketer of reasonable standing in the impulse category at supermarkets has designed such triggers and benefited from this.

Measuring Merchandising Impact: The Achilles' heel of most evaluations of marketing is the impact the merchandising effort has had on sales or market share. Amidst acrimonious debates on whether branding or shelf presence with in-store merchandising yields higher sales, it remains important to strike a 'balance' in resource allocation (if at all we have one!). I suspect that in the current environment, a lot of what Pramod and Anuj would say about merchandising impact on sales

lakh is at stake.

Innovation In Merchandising: With the race for share of stomach, share of throat and share of virtually every element of the human being and his environs, we have added share of shelf and share of air space. More and more ambiances are becoming receptacles of a brand slogan — the issue again is the relevance of ambience to the promise of the brand.

Innovation and using new materials and media are the lifeblood of merchandising. The only point is to draw the line between any 'opportunity to see' and relevant 'opportunity see': so, Colgate may like consumers to look up to its brand (in an elevator), I am not sure if Harpic would enjoy being flushed out!

ANALYSIS II: C. LAHIRI

Sign Of The Times

C. Lahiri is executive director of J.L. Morison (India), marketing Nivea, Wella and other international brands. He was earlier responsible for international marketing at Hindustan Lever.



HEMANT MISHRA

PRAMOD'S all-too-familiar dilemma really has two dimensions: effective communication at the point of purchase and making his sales managers aware of its criticality.

Indian retail is slowly transforming, from a profusion of small *kiranas* to supermarket chains. What the supermarkets lose in personalised service, they make up with a pleasant, well-lit environment, and, the all-important 'touch-and-feel' ability. In Turkey, for instance, in less than a decade, an estimated 80% of a similar market was converted to supermarkets. In India, it is likely to be lower and take longer, but there is no doubt that the day of the supermarket is here. As always, the advantage will go to the first movers who understand this.

Supermarkets are a paradise for brand marketers. Indeed, in this environment, even many non-impulse products benefit from 'impulse rub-off', as Maya clearly demonstrates. It is the one arena where even a small budget brand can take on the biggies of TV, if it is innovative and savvy enough with its POS (point-of-sales) materials. Research in Germany has shown that up to 80% of purchase decision is influenced at the POS.

In-store communication must be crisp, captivating and, if somehow possible, interactive. It is even more essential that it be placed strategically. A customer's mind needs to be engaged by the brand immediately, while it is fresh. Yet the communication must not be far from the product itself, as brand memory does not travel

well. Similarly, a special offering, positioned a little before the shopper reaches the category shelf itself, could easily preempt competition. POS material itself must be innovative and engaging, to differentiate itself from the clutter.

In the US, for instance, Gold Seal Indus Valley basmati rice used a talking shelf strip, with an audio recording greeting shoppers, immediately attracting their attention. Even at the otherwise dead end of the shopping experience, the check-out counter, there are numerous possibilities. At Nanz, in New Delhi, for instance, many shoppers actually went back and purchased a Nivea product, after putting their purchases into

per, and understand that it is a hectic battle with hundreds of other brand messages, vying for a share of the customer's mind, with no intermediary. Capture her attention and interest, and her purse will not be far away.

However, it is remarkable how few field personnel, such as Anuj, take the time or trouble to appreciate this simple truth. The most critical development in today's market is the change of the focus of the 'sales pitch' from the shopkeeper to the customer herself. This is a whole new ball game, with its own rules. Only those who quickly understand this paradigm shift will triumph in the new era.

It is a lonely furrow that Pramod has to

There is no doubt that the day of the supermarket is here, despite its slow rate of growth. As always, the advantage will go the first movers who understand this

the plastic carrier bags provided, being reminded by the bold Nivea branding on them. And shelving at the correct height can mean life or death for a brand, especially a new or weak one — people rarely stretch beyond comfortable arms reach.

Among all the sophisticated techniques, the single most important one is simply common sense. One needs to see the shop floor through the eyes of the shop-

plough and his biggest challenge will be to educate and motivate his own sales force in the ways of the new millennium. The winners will be those able to bring to the battle for this new marketplace, the thrill and passion of a football match, coupled with the logical, analytic mind of a scientist. The winning sales director will be the coach who can create, inspire and sustain such a team. More power to you, Pramod!

POWER PERFORMANCE



36 month warranty*

*Conditions apply



THE POWER OF TECHNOLOGY

More Cash, But New Spends

Consumers spend more today, but their incremental spends go to newer categories. How to grow consumption? ask FMCG firms

This case study was first published in BW, 5 November 2001

■ MEERA SETH

MRIDUL Mathur spent the whole day watching consumers at Nanz. The previous day, he had done that at Chennai's Food-World, after having first watched Mumbai's consumers browsing and buying in various shopping plazas. As far as he could see, they all were nearly buying the same things. Soap, tooth-pastes, food products, scourers, cleaners, shampoos, hair care products and, occasionally, pasta, cheese, colas, snacks and purees. Nanz did not reveal new tricks. The brands and products were the same, the number of shoppers usual. Mridul got up at 3 p.m. and decided that the action lay elsewhere.

At the ATM below the supermarket, he met his cousin Diksha. She was driving to the INA market to shop for some Thai cooking ingredients. Mridul had two hours before his flight to Bangalore, so he joined her. Diksha's purchases intrigued Mridul: a variety of pastes and packets of special vegetables like baby corn, broccoli, red pepper and corn, a box of Lipton's Iced Tea and a box of Ferrero Rocher chocolates. "Having a party?" asked Mridul, surprised by the mix. "No party!" laughed Diksha, "giving my family a Thai treat for dinner."

Undetected by her, he engaged her in a quick review of her spending habits, her brands and frequency of purchase. Diksha



did not enjoy buying oil and *sabun* herself, so she them ordered over the phone. "Besides," she said, "that way I don't buy unnecessary things." That was also a fallout of their recent vacation to the South East, she said. Her family was not among the super elite, but that vacation had come partly out of her husband's free miles and partly from cutting back on budgets.

Later, as he drove to the airport, he took in the crowds in the marketplaces and wondered: "People are still buying, demand is obviously there, then what is different?" What was different was the new low at Gerrico Products where Mridul was head of sales.

Gerrico's oils, jams and haircare businesses, which had seen a boom in the 80s and 90s, appeared to be

sobering down. Yet, it wasn't half as disquieting as it was to some major players in the industry who had reported a decline and, in some cases, a halving of topline growth. At Gerrico, it was more a gnawing feeling of uncertainty, a lack of excitement and now, a possible slowdown. But it was the desperate efforts and agony among the bigger players that had led to a new rhetoric at Gerrico: "What's going on?"

So, when its topline touched an 11% growth after much heaving and panting, Mridul's chairman declared: "It has hit us too!"

Gerrico was a fast-growing company. Its jams and ketchups were posting spiky sales. In haircare, its lower-end products grew at targeted pace, but its premium brands were plateauing. Its cooking oils were no different.

"People are not buying," went the verdict, yet salaries had increased handsomely in the industry.

He had seen huge, colourful shopping bags and gaily-lit shops in the marketplace, but Mridul did not think these were festival-driven, rather the aftermath of a long summer that curtailed outdoor browsing. The pessimism had reached Mridul.

At the airport, Mridul ran into foods company Mebbel India's marketing head Anil Kashyap, whom he had often met at in-



Mridul was frustrated. His brand had the penetration but the market was not growing fast

dusty forums and trade meets. Anil was returning from a product launch, but he did not seem excited at all by its prospects. "The market is cold," he said sadly, just as they saw Vineet Jha, the country manager for Exxecom, approaching them. Vineet, who was returning from an AGM, had been Anil's batchmate at IIM. "How did it go?" asked Anil, who had been watching Exxecom closely. "Naturally they were not gracious," said Vineet as he shook hands with Mridul. They retired with cups of coffee to the far end of the lounge.

"When markets slow down you cannot report the same bottomline," said Vineet. "But we are confident that we will grow faster than the market in 2001-02. This is a crazy time for everyone. Our products have remained strong, our market position is sound and stellar. With

our focus on efficiencies, we have pulled out a decent profit line, but topline growth is causing concern. We cannot expect to earn marketshare because we already have dominant marketshare. 'So where is growth going to come from,' shareholders ask."

THAT'S our situation too," said Mridul, going on to detail Gerrico's life situation and his market visits of the last three days. "See, the objective is to grow the topline and double it every five years. I find I have got my penetration, got into multi-price points, but markets are not growing at the pace I would like them to grow. So far, I worked with this paradigm: the more the number of outlets I service, the better my brand. Which made sense because that was the issue for me in the past — access. But today I have my brand in every possible retail shop, yet demand is not growing, sales are not happening. I have done everything possible; at every price point I introduced a product variant, I blocked all available opportunities, every season I increased my presence, I tried to reach the retail direct. But my topline is still not increasing. It's frustrating!"

"It's really a function of the new organised retail," said Anil. "Just because new outlets are coming up, it does not mean demand is growing. In Chennai, for instance, a number of small outlets have been coming up in the last decade. In 1990, there were 12,000 outlets for, say, food and groceries in Chennai, but by 1998, there were 16,000. If I look at growth, those original 10,000 have been growing at 5% per annum, but I have been able to show my head office far better growth because I was showing the increased channel stock for the new 6,000 that came in. So, the net annual growth was shown as 20%, because it now included the additional stocks to the new outlets that we fed with more goods.

"Now the new small shops are not growing, because the larger-format retail shops are coming in, and all that has happened is that my demand has shifted from the standard 10,000 outlets to the bigger stores because that is where the consumer is shopping now. Worse, there is a difference between a FoodWorld and a small retailer in Nungambakkam. To service 300 families, a small shop will carry more inventory than a large shop like FoodWorld, because the latter has better inventory planning. That is the key difference between organised and unorganised retail formats.

"In the interim, as the channel stocks increased, we got the impression that the total market was growing. That led us to nurture the ambition to grow by 20%. But, last year, our Chennai regional head protested. He was clear that outlets may be increasing, but per capita consumption was not. So, in effect, there was only a de-

mand shift, but no real demand growth.

"So now we have realised that while the channel may be fed more goods to feed the increased retail outlets, we have only improved access to my products and that's what is being mistaken for growth. Now the boss says: 'Let us put our efforts around the core brands that have critical mass, rather than the non-core brands. The 80-20 rule. More money then for the winners.'"

Vineet was not clear. "How is that going to increase per capita consumption?" he asked. "That effort will, at best, shore up profits, but what you need to do is grow consumption." Mridul agreed, but said: "It was exactly this desire to grow consumption that led Gerrico to introduce many variants at different price points and enter new categories. Now we are seeing a cannibalisation of our own brands. That explains, in part, our situation."

"Does it?" asked Vineet. "Is it too many variants or an actual increase in the number of categories in the market? I was reading a research paper last month which talked of new category spends. It said that if a consumer had Rs 4,000 annually to spend, whereas earlier he was spending it on seven categories of goods and services, today, he is spending it on 14 categories. That means that his spends on the earlier categories are reducing to accommodate newer categories. Therefore, although as a consumer he is spending on more things, his per category spends are coming down or plateauing. Further, even if his spends are increasing by, say, 15% every year, he is doing that by adding a new category to his portfolio every year, often at the expense of his previous categories."

MRIDUL had read the same report and had been thinking about it ever since the slowdown hit Gerrico. Economic indicators were always optimistic on GDP and expenditure, and he hoped he would double sales sooner than he had planned. But this report also hinted that consumers could even move from an erstwhile premium soap to a popular brand and collect to spend on a new category. "So my competition is not just Sunsilk or Nyle or even Dove, but also the durables guys, vacation guys, entertainment guys," he said. Why, people who changed their curtains once in five years were now planning a change in three years; people were painting their homes once in three years against once in six-seven years. "How do I increase consumption when a share of my consumer's wallet is going to other categories at the expense of my low-involvement category?"

Today, the consumer was indifferent across the whole category of soaps, or nearly so. She had now concluded that other things remaining constant, firms had grown in their offerings to such a level of quality and value that most soaps delivered the

same end-value to skin, wallet and feeling. Therefore, she was even willing to look straight at a premium soap and say, "You are as good as the guy next to you and he is better for me since he costs less, but does the same job as you and I'd rather save those extra bucks and buy my family a dessert today." So people were buying some more convenience durables like cordless phones, a second music system, painting their homes every two years, changing curtains, going on better vacations, and so on.

Therefore, was it fact or mere hearsay that the consumer was not very desirous of moving upwards in basic categories, from low-priced to premium variants? Was she instead allocating her increased surplus to 'new necessities' like upgrading her son's PC, spending on the Internet, etc.? Anil wondered about this, as Mridul said, "Even if I have to stimulate demand, I am doing it in a scenario where whatever consumer surplus I can potentially absorb is getting sucked away by product categories I am not operating in." "That is scary," said Anil, "if you consider Mebbel grew from commodities to spices to slowly enter many categories. When the 70s presented the low-priced option, we got into detergents, too, to give our consumers width. Then we began to manufacture shampoos and shoe polishes and bathroom cleaners and skin oils, because I wanted to retain the whole family with me and ensure they bought all their daily needs from me. But, today, this family is buying so much more, things that are not in my stable. Does that mean I start manufacturing cordless phones?"

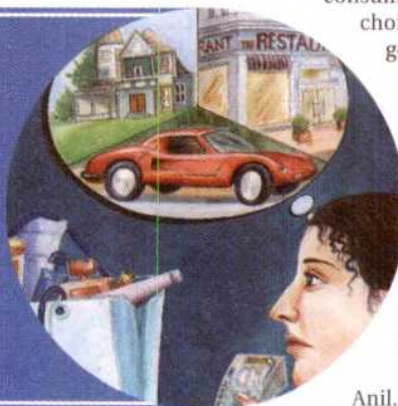
Vineet laughed. "The fundamental issue is, how do I get to keep my consumers at least in the categories, if not in the price ranges? Two, how do I get them to spend the same amount and a part of their surplus on my brands?" Mridul agreed, "So, let's look at what a consumer spends on with her increased surplus. Take a school teacher. Until sometime ago, she took the bus. But now she had financial offerings that have enabled her to buy a Maruti car in easy instalments. The pay commission has also enabled this. But while that money and dearness allowances came in, it wasn't being used to upgrade to a Dove or an Ariel, or even buy more cooking oil or toothpaste. She was using it to spend on a new category like car purchase, which she wasn't doing earlier. Apart from being able to afford it, purchase schemes are now available!"

Up the economic ladder, they were spending on PCs, VCD players, home fitness equipment, sophisticated heating facilities, air-conditioners or room coolers. The average family was now looking beyond a holiday to Manali — to Mauritius. One Singapore in two years rather than one Manali every year. "Whichever way you look at it," said Mridul, "is this an impossible situation, or are there new paradigms we need to look at?"

"This is a part of the evolution," replied Vineet, "where consumers have more disposable surplus, more choices to make; now there are a lot more categories that are accessible. Hence, they will not look towards the conventional categories, where it can be said a satisfactory level of consumption has been achieved." And that satisfaction, in some categories like hair-care and soaps, also meant that upward migration to premium ranges was not a given, suggested Mridul. "That's how it seems to me. I do not see any rationale for consumers in technologically stable categories to ride up the value ladder. They are moving outwards into newer categories."

"How has it been in foods?" Vineet asked Anil. "After all, people have to eat, whatever else

The basic issue is how do you keep your consumer, at least in your category, if not in the price range? And how do you get her to spend the same amount on your brands?



they might substitute!"

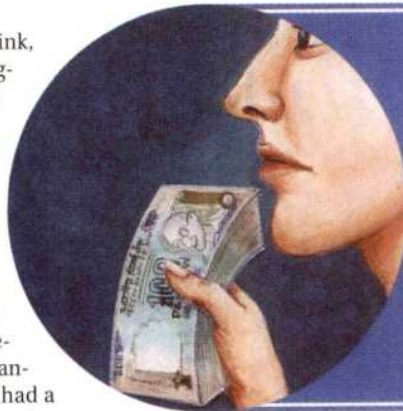
"Foods is a bag of tricks," said Anil. "I think, paradigms of consumer behaviour are changing in many ways. Initially, we poooh-pooohed the Indian's ability to migrate to new food items, outside the Indian fare. But that holds true no more. There is a new category called 'out of home', which is growing remarkably." Eating less or frugally or simply was not a serious virtue anymore. McDonald's, Pizza Hut and other such options were 'in' and pursued happily. "Affordability combined with fun; that is key to this category," he said. Even the nature of the office canteen was changing. Some companies now had a Barista coffee shop on their premises. This again was more in the nature of an 'out of home' eating experience.

"But I am unable to understand how our edible oils business is now a low growth category, given that people continue to cook and eat," said Mridul. "The question is, is this cyclical? Will people soon start spending on this category? Say, they have spent on vacations, entertainment, 'out of home' eating, etc. Say, they have bought all the Marutis and washing machines and VCDs too. When will the consumer come back to me? I am having to look at increasing urban per capita spends, not just rural spends anymore; the rural consumer is spending on other categories and I am trying to compete with those categories and bring my consumer back to my category. In urban areas, people are spending on my category, but their incremental income is going to other categories, so I am not getting a share of their income growth."

VINEET mused a bit, then said: "Can you say this is typical of mass consumption products like edible oils, soaps, toothpastes, etc.? The basic goods? Even there, categories like soaps and toothpastes do offer scope for habit change and volume growth. But, do you think there is a growing desire to consume non-necessities that are, say, more exciting?"

"Probably," said Anil, "if you look at fun categories like colas, chocolates chips. Chocolate consumption is increasing; but the unique thing is that a majority of the consumption is happening outside the home. People are not buying it and keeping it in their refrigerators for home consumption. Culturally, none of these products has achieved the appeal of a keep-at-home product. Yes, Indians are drinking more Coke today, eating more chips, allowing kids to eat more Ruffles, eating a lot more chocolates — but it has not become like biscuits, available on demand on the kitchen shelf. Either it is still considered a non-virtuous, non-healthy indulgence, or, and this is important, the enjoyment of being outside the home... either shopping or going for a movie... triggers the desire to top that pleasure with the chocolate or the cola or the chips. So home consumption is still a long way off."

"Interesting," said Vineet. Then, after a long pause, he said: "It's a crucial crossroads we are at. Once again, we have examined the usage situations, the habits and the more aggressive consumer behaviour. Thirty years ago, when the powdered detergent was discovered, the consumer indifference was similar. But the marketer faced consumer behaviour resistance. He faced a market that would not adopt detergents. Today, the pattern is similar, except that the fabric has changed. The consumer has too much to choose from, hence she has become indifferent to price and quality as differentiators as all products available to her are at the same technological level and price. There are new categories she



The 1991 liberalisation initiative has just started taking effect. If we allow more cars, more PCs,... the consumer will buy the new stuff not the old

would like to try. There are so many new offerings every week; she wants to try each. Mind you, she is not rejecting any easily. Those new trials can come only from something regular forgone."

Mridul agreed. "It's not as if consumers are not buying," he said. "They are buying more than they ever did, except they are not buying basic, daily use, routine stuff. Trouble is, we are dealing in basic, daily, routine stuff — oils, cleaners, soaps — stuff that don't cause excitement. The consumer is spending new incremental earnings, and she hardly wants to buy more soaps or more cooking oil. She has been doing just that for 50 years! At the same time, she is eating more and feeding her family more elaborately than she did before; but a lot of that eating is also happening outside the home, and at home, outside her core, habitual cuisine. I met my cousin Diksha a few hours ago and she reflects the trend of more opportunities. Her consumption of the staple groceries has not decreased, but her purchases of all-new products has increased. Some of that increase has come from substitution!"

Vineet agreed. "So the paradigms are changing again after the Rin tikiya event 30 years ago," he said. "Therefore, the paradigms of research, of consumer behaviour, etc., have to be redeveloped. Look at the market again. Look at what is new. Redevelop your framework. What is the consumer buying today that she was not five years ago? The liberalisation initiative we took in '91 has just started taking big effect. If we now allow more cars, more PCs, more imports, more clothes and more food, the consumer will not buy more of the old stuff, but will start buying some of the new stuff as his earnings change.

"But, while all this change is happening, some things are still not changing. Like the Indian attitude to 'if it's not broke, don't replace it'. Or, 'why waste'? So your consumer will not easily upgrade her mobile phone, or her washing machine, or her refrigerator, because there is a new upgraded version. A 10-year-old Videocon washing machine is very good if it still washes clothes and so what if it has no fuzzy logic! Who cares anyway?

"I was faced with the same dilemma myself: should I get myself a new laptop? Why spend one lakh of company money just because the new one is going to be half-a-kg lighter? Point is, these are not yet critical attributes for me as a user consumer.

"As I see it, this plateauing of demand will be so for another four to five years. You can start innovative thinking now and cut those five years to three and be the wiser for it. The idea is to exit the current slowdown in a stronger position. Maybe, follow the consumer's example — move away from low excitement categories and transfer the focus to new areas that offer excitement and opportunity," he ended. ■

ANALYSIS I: SUNDER HEMRAJANI

Enhance Value

Sunder Hemrajani is executive director (sales) at PepsiCo India Holdings. Prior to this, he was vice-president (sales) at Whirlpool. Earlier he had a 14-year stint at Hindustan Lever. He's an alumnus of the Faculty of Management Studies, Delhi.



THE closing decade of the last millennium saw a tremendous change in India's economic landscape. This was the decade of liberalisation, of increased competitiveness. One of the positive fallouts was the division of the corporate world into winners and losers, victors and vanquished, market drivers and market-led. The winners have prospered, bucked the trend, and continuously driven double-digit growths even during recession. The losers have inherited the non-performing aspects of the financial institutions and have added to the great corporate graveyard. The epitaph reads: "Ones which lost the battle for consumer choice."

Mridul's belated realisation regarding fragmentation of consumer spend was very commonplace in the early 90s. Many companies, like Gerrico, Mebbel, and Exxcom ignored it, lulled into stupor by the spiralling growth rates brought about by economic buoyancy. The second half of the decade saw a slowdown in industrial growth and the first signs of recession were visible.

So, how does a company like Gerrico cope with the slowdown? The first reaction should be to focus on cost cutting, layoffs and retrenchment. However, the leaders would make changes in business processes and also seek revenue generating opportunities. Obviously, Gerrico had missed the bus in the 90s. Successful companies leverage the boom times to strengthen their equity with the consumers by enhancing the value of their offering at the same or even lower cost. The marketer must constantly upgrade the consumer by finding new dimensions. The new marketing mantra is to satisfy the latent need that the consumer may not be aware of. A quantum leap can be achieved through innovation, which ought to be at the heart of Gerrico's strategic priorities. The innovation could be driven through new technology, new products or new services. Continuously increasing satisfaction levels will ensure consumer interest, involvement, and investment in the category, leading ultimately to loyalty.

"Where is the growth going to come

from?" is a question that all the three companies need to answer. In the foods category, line extensions can be used to stretch the franchise in a new segment of an existing product category. It would also help to get over the taste and flavour fatigue, leading to an increase in share of the consumer food basket.

In recessionary times, the consumer has a tendency to postpone purchase, downtrade in price or reduce inventory at home, impacting depth of consumption. In the short term, Gerrico should heighten the consumer interest through incentives, discounts and promotions.

Co-promotions with brands desirous of improving household penetration would enable the company to enhance the value of the transaction. Banded packs or larger value packs would prevent the consumer from downtrading and push consumption. Smaller packs with lower unit

sachet revolution in the shampoo market made the so-called luxury product affordable to the rural middle class. The media boom fuelled the growth further. Mridul needs to see beyond the obvious and venture into uncharted territory.

Slowly but surely, the retail landscape of the country has been changing. In the rural markets, the trade was getting more fragmented with the retailer moving closer to the consumers as the expanding road network facilitated access. The urban areas saw the trade consolidation move from the government and cooperative sponsored Super Bazars and Sahakari Bhandars of the 70s to the stuttering family-owned supermarkets of the 80s to the corporatised and organised efforts of the 90s. The successful marketers visualised the change and realigned their marketing mix and service strategy to exploit these changes; the others were caught flat-

Successful companies leverage the boom times to strengthen their equity with the consumers. They enhance the value of their offering at the same cost or even a lower cost

price can help attract new users. A re-launch could energise the brand and put it on the growth path.

Gerrico would also need to review its portfolio of brands and explore the possibility of extending it to other relevant categories (not mobile phones!!!). Can the brands be extended to other culinary options? Brand extensions can be used to rejuvenate the brand, halt the ageing process and strengthen the core value which the mother brand offers.

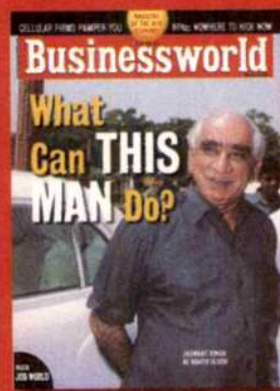
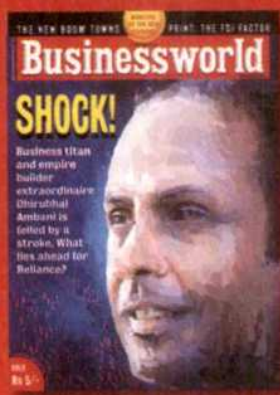
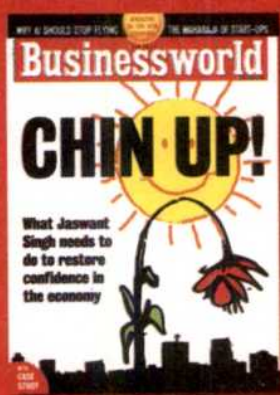
In the late 80s, while the average company was living in the present, the visionary was already seeking greener pastures in the rural hinterland to balance plateauing sales in urban markets. The windfall of the times was harnessed by marketers through investment in distribution and products. The

footed. The customer had now become a partner to attract the elusive consumer and grab a greater share of the consumer wallet. Gerrico should realise that just putting stocks in such formats is not enough.

In difficult times, the companies need to communicate with shareholders, retailers and most importantly, with employees. Clearly, Gerrico, Mebbel and Exxcom have failed. Senior managers have to ensure that they do not pass on the despondency, despair and, perhaps, cynicism to their teams, as it can be demotivating and damaging.

Gerrico has to make a fundamental choice. Is it going to demonstrate intellectual foresight and join the leaders who drive the market, or get led all the way to the corporate graveyard?

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What's Stopping You?

ANALYSIS II: RAJAN CHHIBBA

Category Collides

Rajan Chhibba is deputy managing director of KSA-Technopak — a leading retailing, consumer goods and healthcare management consultancy firm.



THE 'expand' managers of Gerrico, Mebbel and Exxecom seem to have an insurmountable challenge. Aggregate consumer demand is growing, but consumers are using their extra spend on new categories or more fashionable categories, leading to flat topline for the older categories. Informed choices are being made and there seems to be little the FMCG manager can do.

Unfortunately, it can get worse. Emboldened competitors from other categories may invoke paradigms of going after a larger share of the wallet, thereby actually hurting the FMCG majors. The recent cellular players' communication theme of a call being cheaper than a cup of tea should spell danger for the tea companies.

The lesson: it's time to shift focus from category market share to consumer share, using the 'category collide' framework.

'Category collide' is a framework for understanding when and where a particular category is being hit by another, which, seemingly, has no direct substitution effect with the original category. It is best illustrated by an extreme example of a commodity FMCG product like edible oil. A KSA-Technopak study revealed the category collides in the case of a single-brand-loyal customer through an analysis of her shopping behaviour as shown in the chart alongside.

Clearly, for this consumer, 'category collision' is occurring more than 50% of the time she buys edible oil. This may lead to a loss of wallet share for the company. For example, a health vacation spend may override considerations for a healthy oil purchase, or a cholesterol relieving drug may override the same oil purchase. Similarly, tea consumption in college canteens has been hit by pocket money spend on cellphone bills.

After understanding

the concept of category collide, what can an FMCG manager do about it? The first thing is to identify the opportunity in all this by focusing on capturing wallet share. Opportunities in new products start popping up. For example, an edible oil manufacturer starts selling olive oil through drugstores. Other opportunities exist in alternate channel development by viewing various channels as destination, routine, occasional, or convenience, and rationalising one's brands around these channels. The third opportunity lies in converting core FMCG products into 'fashion' products.

While enough has been written about spotting new product opportunities, let me focus here on the other two opportunities.

Rationalising Brands Around Retail Channels:

Today, the emergence of new retail channels is creating a new basis for segmentation. The same customer has to be captured for purchase on different shopping occasions based on a different mindset. In our edible oil example, even for the same customer, the 'destination' purchase is serviced by organised retail or large general merchants, the 'routine' purchase is serviced by *kirana* shops, 'occasional' shopping by any of the above, and 'convenience' shopping by the *paan*-plus shops. If an edible oil manufacturer spends 80% of its energy on the *kirana* shops,

it is definitely asking for trouble.

To borrow the apparel example, today it makes sense to develop brands for unique retail channels, and distinguish promotions and supply chains around retail formats rather than push a brand through all formats with equal gusto. In our edible oil example, is any 'good for the heart' edible oil brand selling through drugstores, in a medicinal packing, with the equivalent of a peg measure for oil along with the bottle? Certainly, such a brand would take away a share of the wallet from the cholesterol drug.

Developing FMCG As Fashion Finite Life-cycle Products:

The idea seems radical, but if a lesson is to be learnt from the apparel industry, there is a way of revitalising core commodity products by elevating them to a fashion category. When consumers perceive a fashion element in a fashion category, loss of sales to other categories that collide with it reduces. In fact, New York's food exhibition is called a *Fan-cyFood Show*.

The radical implication of FMCG products like foods becoming fashion products is that they have to see their products as finite life cycle products within the ambit of an enduring fashion brand. Why can't there be a 'Fall Collection' of Brooke Bond tea? Kellogg's has tried this concept for its cereals, why can't

the other FMCG majors try this for their products? Obviously, for this, the FMCG companies have to learn to conceive the market and kill their own products in a finite, pre-determined manner. This calls for a radical realignment of internal organisations. Only those who dare, will grab this opportunity.

To conclude, Mridul, Anil and Vineet are sitting at the edge of a unique opportunity — it's just that they should open their eyes and see it that way. ■

CATEGORY COLLISION ANALYSIS OF EDIBLE OILS			
Key consumer value at time of purchase	% of purchases in this mode	Place and type of purchase	Category collision for the same consumer value
Health issue of someone in the family	35	General merchants/chain stores, smaller packs	Instead, should I spend on an effective drug, a vacation, walking shoes, fruits?
I just need the oil	40	Kirana shop, large pack	No collisions
It's a special occasion	10	Kirana shop, small pack	Instead, should I buy the special dish?
Buying other things, so pick up the oil	15	Any shop, any pack	Instead, should I spend on any other item?

Note: 'Category Collide', 'Branding for Alternate Channels' and 'FMCG as Fashion' are all KSA-Technopak development models

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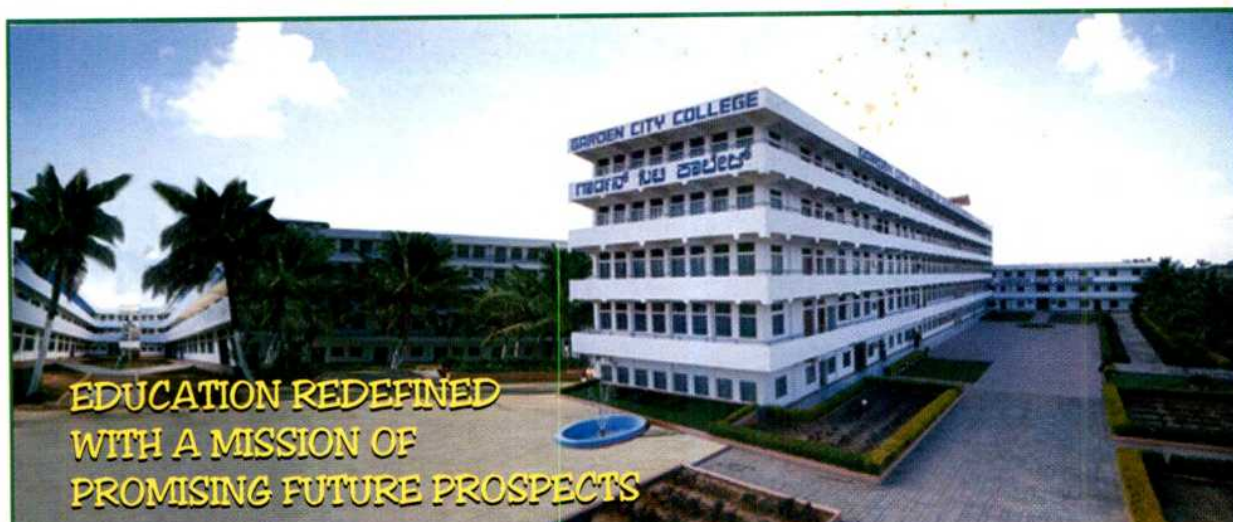
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The Essential B-school Toolkit

CONGRATULATIONS! You are holding the first edition of the Businessworld B-schools Mega Guide. It is the first tool you will need once you have made up your mind to go in for a business management degree. In fact, if you go through its pages carefully and learn how to use it properly, it will be the only tool you will really need for getting into the business school of your choice. Think of it as a sort of Swiss Army Knife designed specially to help you crack open the world of B-schools.

In the following pages, you will find articles on how to choose the right school, how to decide whether you should study abroad or go in for an Indian MBA degree, how to finance your way through the two years of B-school, interviews with deans of various Indian and foreign schools on what they look for in applicants, and dozens of tips from your predecessors in the B-school journey... apart from preparatory tests for GMAT, CAT, XAT and all the other main MBA entrance exams. And of course, comprehensive directories that give you details of the best Indian and foreign B-schools.

It has taken us over six months to put together this mega B-schools guide. Project editor Navjit Gill and his team burned the midnight oil to make sure that each section and article in this guide provides you with exactly the answers that you are looking for. They spent hours choosing the toughest CAT prep tests from Career Launcher, and the right GMAT prep advice from Jamboree. Gill and his team also contacted the deans as well as past and present students from the IIMs, FMS, Columbia, Stanford, Wharton, IMD and many other schools. Students currently studying in the best global business schools have contributed articles that will be of immense help to you.

Enjoy the issue – and best of luck.

Prosenjit Datta
(Prosenjit Datta)

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Anuj Kumar,
HR head, CSC India

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A BW-Executive Access survey of India's most prestigious recruiters brings you their A-list of business schools and what they look for in candidates

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Reading the B-school Guide

NAVJIT GILL

IVERY year, around a lakh students battle it out to get into the best business schools. The difference between those who make it and those who don't, lies in a deceptively simple word: preparation.

Preparation doesn't mean just mugging up vocab lists and practising mock tests. It means getting your strategy right – all the way from knowing how to shortlist a B-school to making the choice between Indian and foreign schools to figuring out smart ways of acing the exams.

It is crucial to get battle-ready by shortlisting the right schools. A recruiter survey commissioned by BW points out that most companies have an A-list of business schools they religiously visit every year and that list has hardly changed over the years. So choose your school very carefully.

You also need a flavour of what the best B-schools have to offer. Catch the action live at some of India's top campuses in this guide. The dean interviews will tell you what makes some of India's top schools special – and what sets them apart from one another.

The decision to do an MBA is far tougher today than it used to be. For those of you who want international mobility in a field like marketing, a foreign degree is *the* ticket.

As Kuriakose Mamkoottam, programme director at FMS, says: "If I were to be pragmatic about it, I think it will take a long time before any Indian business school can offer the kind of ambience and exposure a US school can." Many Indians with an MBA from a top Indian B-school seem to think so too.

But if global schools are so hot, why do an Indian MBA?

It may seem counter-intuitive, but a local MBA degree is pretty useful. First, for those who want to work in India, it beats having a foreign degree. "Ninety percent of our sales are in the domestic territory. A person with a degree from India would have a better understanding of the market," says Narendra Nath Akhouri, VP-HR, Hero Honda Motors.

Second, an MBA is the passport to a real job for most

non-engineering graduates in the country. You need it if you want to get any kind of worthwhile business experience in India. "Because the supply (of MBAs) has been very high, companies are preferring MBAs for jobs that don't even require one to have a management degree. In the US, you can get these jobs directly after graduation and then you can go for formal management training," says Adil Malia, director human resources, Coca-Cola India.

Third, even in the worst of times, the top Indian schools manage close to 100% placements. As the last couple of years have shown, the same can't be said for the leading global business schools.

Perhaps the best part is that Indian schools like IIM-A and IIM-B are fast trying to become global in character. Dipak C. Jain, dean of Kellogg School of Management, says that Indian schools can compete with global schools – provided they focus on research and on creating centres of excellence to produce knowledge about issues in this part of the world.

It's true that for fresh graduates or those with little work experience, a top-class foreign MBA isn't within easy reach. However, as the article by an education advisor at USEFI explains in Section 2, it is still a possibility.

For those with work experience, a global MBA is a real option. The entire second section of this guide is devoted to ways and means of exercising that option.

Now the all-important question – is a one-year MBA better than the longer variant? Check it out on page 182. Current students tell you how to select a B-school and how to feel

at home in foreign climes once you are through. Get expert tips on things like writing winning essays from the people who really know – those who have got into a foreign school in the past few years.

Both sections in this guide also have loads of prep tools to help you ace the major entrance exams: the final stage of preparation. And should you be left thirsting for more, run the CD that comes free with this guide.

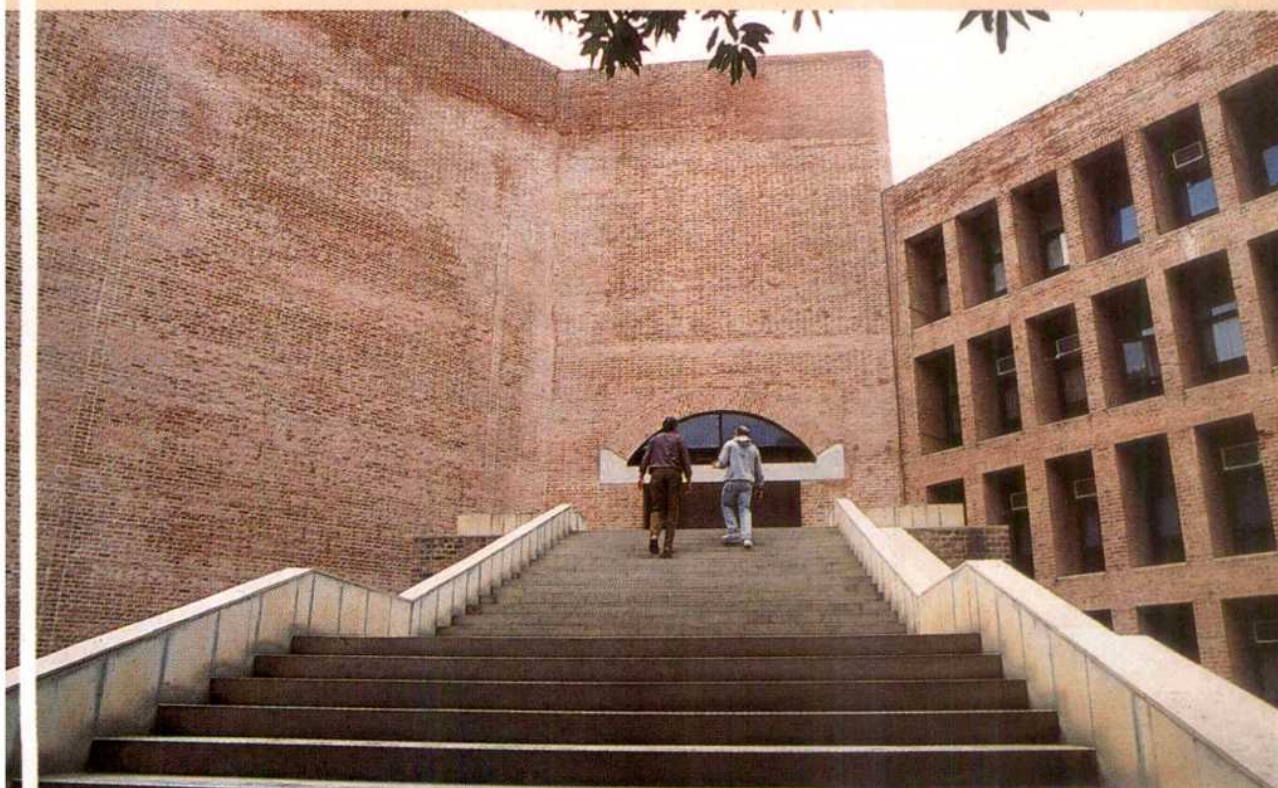
So go ahead, and give it your best shot. ■



GO FOR DIVERSITY Indian B-schools like IIM-B, IIM-A and FMS are keen to attract foreign students

Businessworld

GUIDE TO INDIAN B-SCHOOLS



Beat the competition. This is where you can learn all the smart strategies that will get you into your dream school

Reading the Recruiter's Mind

NAVJIT GILL

WE'LL give you the bad news first. Most recruiters in India have an A-list of business schools they visit. That list hasn't changed much over the last couple of years. Remember that when you shortlist the B-schools you want to target. Don't lose heart though. Over 60% of recruiters say that they may hire from B-schools they don't

visit, even if it is not necessarily for the plum posts that go to IIM graduates.

This article is about the vital link that will help you select the right B-school: recruiter perception. Which are the B-schools that count? What are the skills recruiters look for in fresh MBAs? How important is it to identify a school with a strong summer placements focus? Does the AICTE approval/ accreditation matter?

Businessworld recently commissioned a survey of India's top recruiters to find the answers. The survey was conducted by Executive Access, which is part of the Access Asia Group, an information and human resource conglomerate headquartered in Hong Kong. More than 50 of India's HR heads from companies such as Coke, Bharti, P&G, Gillette, Philips and Reckitt Benckiser took time off from

their packed schedules to participate in the survey.

Perhaps the most important takeout from the survey is that recruiter perception still favours the old guard. We asked the recruiters to tell us which are the top schools on their hiring list. The names they came up with are interesting for one reason – there are practically no surprises here. So much for the hard-sell that new schools do on the basis of one ranking or the other.

The A-list (we haven't actually ranked the schools) has all the usual suspects: the older IIMs, FMS, XLRI... No new school has been able to muscle its way into the Top 10 – not even the youthful IIM-Indore and IIM-Kozhikode. The all-powerful IIM brand doesn't automatically guarantee a place in the recruiter's mindspace.

There is another reason to choose your school carefully.

Although many recruiters say they are open to hiring from schools other than the ones they visit, there are some who don't feel the need to – at least, not at the entry level. Vasant Sanzgiri, senior VP-HR at Prudential ICICI AMC, says the company doesn't look beyond its A-list at the entry level. "Our intake is small and we feel that the schools we go to have already done some of our shortlisting for us in their selection process."

Narendra Nath Akhouri, VP-HR of Hero Honda Motors, says that the company has a set of favourite schools. "But one is not being elitist. It is a question of 'culture fit'. One or two years down the line when candidates (who have passed out from schools we don't visit) approach us through the open-market recruitment, we are willing to look at them."



"Indian MBAs are superior to Australian MBAs and to those from second-rung global schools"

A. SUDHAKAR, HR Head, Dabur

DILEEP PRAKASH

WHAT RECRUITERS SAY

Their A-List (in alphabetical order)	Skills They Value	Other Key Findings
FMS	1. Ability to work in a team	1. 94% said that candidates from foreign schools get the same weightage as those from Indian schools
IIM-A	2. Analytical and problem solving	2. 100% felt that quality interaction is very important in today's environment
	3. Communication and other soft skills	3. Nearly 60% of the companies give very high weightage to summer training
IIM-B	4. Creativity and resourcefulness	4. 64% felt that the AICTE approval/accreditation was not important
IIM-C	5. Leadership potential	5. About 60% of the respondents give high importance to work experience
IIM-L	6. General managerial skills	6. Over 60% of recruiters said that a good candidate from any school could apply directly
	7. Entrepreneurial skills	
IMT		
MDI		
SIBM Pune		
SP Jain		
XLRI		

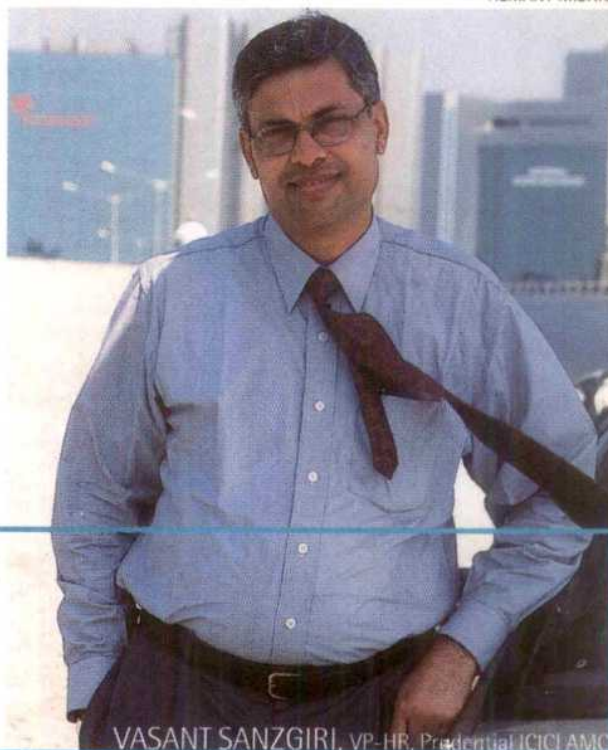
Once they camp at the B-school, recruiters scout around for specific skills. Check out the skill-set you must arm yourself with at the B-school (see 'What Recruiters Say').

Don't even think of overplaying that entrepreneurial streak during the placements: recruiters rated it as the least important trait they look for in a fresh grad. What matters most is the ability to work in a team and analytical and problem-solving skills, in that order. Take every opportunity at your school to participate in team activities.

Companies like Dabur bring along their complete HR toolkit when they come to recruit on campus. "We use Thomas Profiling during campus recruitment to see whether the candidates have the traits that are important for us," says A. Sudhakar, head of HR at Dabur. His advice is to polish communication and presentation skills at the B-school, especially if you plan to apply for a marketing job.

"Our intake is small and we feel that the schools we go to have already done some of the shortlisting for us in their selection process."

HEMANT MISHRA



VASANT SANZGIRI, VP-HR, Prudential ICICI AMC

recruiter SURVEY

INTERNSHIP PAYS

SUMMERS are fast becoming a very important filter in the recruitment process. Adil Malia, director-human resources, Coca-Cola India, says the company has been steadily shifting its focus to the summer-training programme over the last three-four years. "That's when we get a chance to look at the candidate closely. We do a structured assessment centre and see whether the candidate has the competencies for success necessary in Coca-Cola."

Nearly 60% of the recruiters surveyed feel the quality of summer training is very important. "If the project is done in another company, we still look at the quality and relevance of summers. If the candidate has a pre-placement offer, his resume automatically becomes more attractive," says Joydeep Bose, general manager-HR at Wipro.

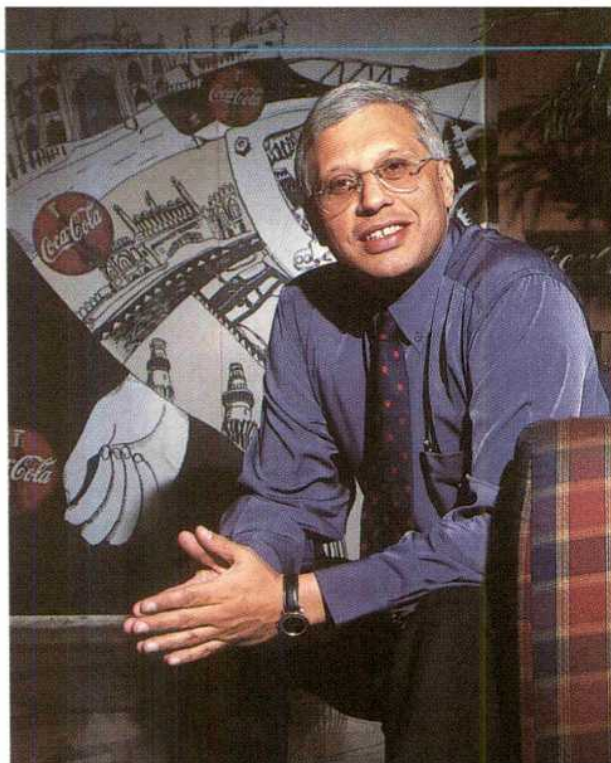
"The summer project helps you see whether the guy can deliver. Of late, people have come to value it more," agrees Chandan Chattaraj, chief (HR), Jubilant Organosys.

Recruiters are looking for any cues that will help them make the right choice. "During the final placement you are under tremendous time-pressure to choose," says Malia.

So look beyond the final placements data. Check out the kind of summers the B-school can help you snag.

THE WORK EXPERIENCE CONUNDRUM

HERO Honda Motors doesn't look for work experience in a freshly-minted MBA. At the most, it wants two years of work experience. "We don't have the internal sys-



IRISHVIAN SHARMA

"During the final placements you are under tremendous time pressure to make your choice"

ADIL MALIA, Director-HR, Coca-Cola India

tems for hiring people with work experience from the campus," says Akhouri.

But for many recruiters, work experience that will allow the new MBA to hit the ground running is critical. This is true across industries. "From 12-18 months, the training period for management trainees is coming down to 3-6 months. Today 18 months is a lifetime," says Sanzgiri.

Bharti Tele-Ventures picks up both freshers and lateral-hires on campus. Jagdeep Singh Khandpur, director (HR) at Bharti, expects freshers to finish their training and be on the job in three months. "The lateral hires have to start from day one," says Khandpur.

"With work experience you stand on the ground, you don't fly," is how Anuj Kumar, HR head of CSC India, puts it. He feels that MBAs who come out of the school with work experience behind them take the decision to join a

"We pick up both freshers and lateral hires on campus. The latter are expected to perform right from day one"

ANUJ KUMAR



JAGDEEP S. KHANDPUR, Director-HR, Bharti Tele-Ventures

company only after proper analysis.

Problem is, unless you are an engineering graduate, getting the right kind of work experience is tough. "Companies like HLL take graduates from good colleges for their executive training programmes, but there are only limited opportunities," says Sudhakar.

So what's the solution? "In the future, both models – MBAs who are fresh graduates and MBAs with work experience – will co-exist. The former model will definitely stay since there is too much pressure to get jobs after graduation. It works from a recruiter's point of view as well – here is an opportunity for me to mould them according to our concepts and values," says Malia.

MADE IN INDIA COUNTS

THIS is the big one. What is the value of a top-of-the-line foreign degree in India? Nine out of ten recruiters said they would not give it any more weightage than the Indian degree. "We do not give (extra) weightage to foreign universities," says Sunil Durani, HR director at P&G. This is the short answer most respondents gave us.

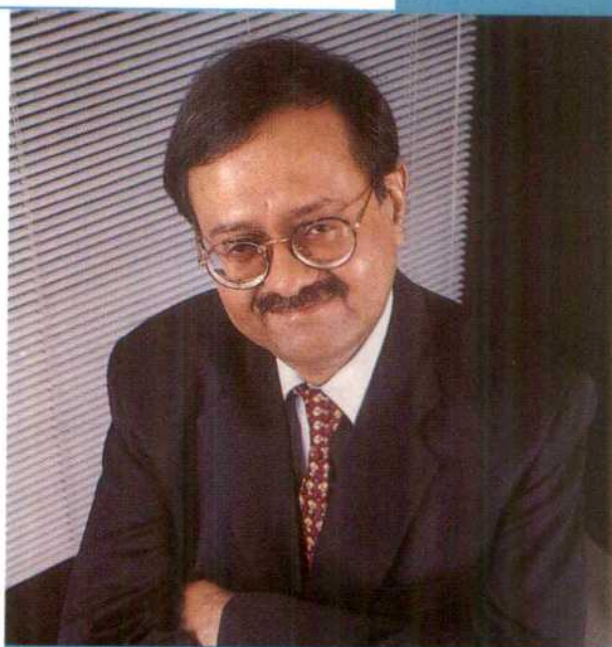
The reasoning they follow is simple: The Indian market is different from any other market. As Sanzgiri says matter-of-factly: "People do apply to us, but I would have to spend time acclimatising them."

But is it just the demands of the local market that make Indian MBAs attractive? Sudhakar doesn't think so: "Generally speaking, Indian MBAs are superior to their counterparts. They are certainly superior to Australian MBAs and those from second-rung global business schools."

This ringing endorsement is also an acknowledgement of the changing character of schools in India. "Our B-schools are evolving," says Khandpur. "They are mod-

- Some Indian corporates feel that IIM grads have unrealistic expectations, tend to job hop more frequently.
- B-schools are still differentiated on the basis of specialisation: IIM-A is best for marketing, IIM-C for Finance and systems and IIM-B for operations. For HR, TISS and XLRI are perceived to be the best.
- The gap between IIMs and the next league is narrowing.
- The institute that has made the biggest stride in the last two years is IIM-Lucknow.

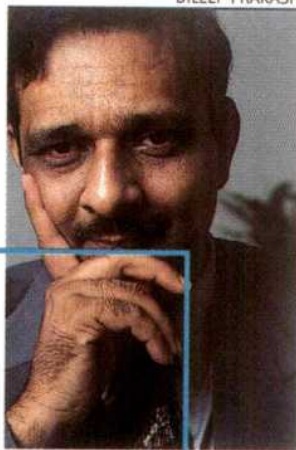
RONESH PURI, MD, Executive Access



"One or two years down the line when people from schools that we don't visit approach us, we would be willing to look at them"

NARENDRA NATH AKHOURI, VP-HR, Hero Honda Motors

DILEEP PRAKASH



ernising their curriculum and creating international cases that are relevant."

The consensus is that even if an MBA from a leading global B-school prepares you for the world, it doesn't necessarily prepare you for India.

AICTE'S CREDIBILITY CRISIS

THE All India Council For Technical Education (AICTE), which is the apex body for monitoring B-schools in the country, is fast losing its relevance. Nearly two-thirds of the respondents felt that the AICTE accreditation was not important (also see IIM-L director Pritam Singh's interview on page 148).

"We don't really look at accreditation," says Chat-taraj. "AICTE needs to create better filters for their processes." Even R.S. Nirjar, member-secretary of AICTE, admits that the body needs more authority to "control syllabus, faculty and admissions. It (management education) is being run entirely as a commercial enterprise, you need drastic action."

Sorry guys. There goes one filter you could have used to shortlist B-schools to apply to. So what should you try now?

Turn the page. ■

How to Shortlist a Business School

HERE are over 900 B-schools in India – and about half-a-dozen rankings. All schools look good on paper, but the rankings vary widely... so how do you weed out the wannabes? Here is a framework you can use to shortlist a school.

ALUMNI STRENGTH: If a school's alumni occupy senior positions in major corporates, you can bet the school has a strong standing – or goodwill – in the corporate world. This goodwill directly translates into better placements. Naturally, an older school will have a larger alumni network. IIM-Calcutta, established in 1961, is a good example. IIM-C's batch-strength is among the highest in India, but it has never faced a problem placing the entire batch. You can get an idea of the alumni network from the school brochure, the current students and from friends.

BOARDING PROGRAMME VERSUS DAY SCHOOL: In a typical B-school, classes are held for just about four hours per day, but a student ends up working for more than 10 hours. Thus, a lot of learning happens outside the classroom through group tasks like case study analysis, projects, presentations, research, etc. Besides assisting personality development, these group tasks help the student learn from the knowledge and experience of his peers. A boarding programme offers a lot more opportunity for this kind of group learning. Therefore, B-schools with a compulsory boarding programme are rated higher than those with a day programme. Another benefit of boarding programmes is increased usage of facilities such as the library and the computer centre.

DIRECTOR AND THE ACADEMIC TEAM: The director plays a very important role in building a business school's reputation. For example, MDI shot into the limelight once Pritam Singh became the director. Now that Singh has moved to IIM-L, a lot is expected from the school. If nothing else, a visionary director ensures that the quality of teaching is above average.

AFFILIATIONS AND PARTNERSHIPS: Many MBA courses are launched in collaboration with a reputed foreign business school. For instance, IIM-A started off in active collaboration with Harvard Business School. These days schools also have partners for student and faculty exchange. The reputation of partner schools and their international rankings can tell you a lot about the B-school.

AUTONOMOUS VS UNIVERSITY-AFFILIATED PROGRAMME:

Contrary to common perception, an autonomous school is rated higher than a school with a university affiliation. Affiliated programmes are usually burdened with excessive bureaucracy, which can come in the way of fine-tuning the course in line with industry standards. Even a small decision in university-affiliated B-schools has to go through the mandatory red-tape. SP Jain was initially affiliated to the Mumbai University but soon opted for autonomy – since then, it has carved an enviable position for itself.

RESERVATION: Reservations of any kind can lead to a mediocre student body. All B-schools that are part of CET, Maharashtra, suffer from this drawback: the number of seats for students from outside the state is less than 10%. The batch composition is skewed in favour of a particular region and this can leave an unfavourable impression on recruiters.

TIMING OF ENTRANCE EXAM: The time of entrance exam is important. Tata Institute of Social Sciences (TISS) holds its admissions process in June – by that time most schools have come out with their final selection list and asked students to pay up the first trimester or semester's fees. So although the programme at TISS may be excellent, it is likely to miss out on some good candidates.

LOCATION OF THE INSTITUTE: If the school is new, its location does affect placements. An HR manager would think twice before devoting two days' time to go to a school that is in a remote area. On the other hand, new B-schools situated in metros or highly industrialised locations might find it easier to attract companies. Of course, location is not so much of a problem once the school has been able to build a reputation in the market.

PLACEMENTS: Placement is a crucial factor most students look for. As we see it, all the above parameters have an impact on placements. Companies will do their own assessment of a school based on the above parameters. You shouldn't go entirely by the preceding year's placements data. Placements in a particular year may well have been an aberration (dotcoms had influenced placements in 1999-00) or simply the result of a great economic scenario. One should look at placements of at least last three years – an average of last three years' placements gives a more realistic picture. ■

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In the first special report - Poll & Research, CEOs/HRD Chiefs ranking of
B-Schools in India,

Annual BB-TNS Mode CEO Poll by Second Biggest International Marketing
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IME HOLDS

	Rank	Mean Score
OVERALL REPUTATION	29	6.0
PLACEMENT SALARIES COMMANDED	21	6.1
QUALITY OF FACULTY	29	6.0
QUALITY OF STUDENTS	27	6.1
DEPTH OF INDUSTRY INTERFACE	30	5.9

Source: Business Barons (January 2003) Vol. VII

Ranking to IME by another International agency COSMODE was 29th
among all B-Schools in India, 2nd in Ghaziabad and 3rd in U.P. (Source
Business Today 4th Aug. 02)

For more details, about IME visit Website
<http://www.imesahibabad.org> or contact the Admission
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Form can be downloaded from website.

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BCA

BBA



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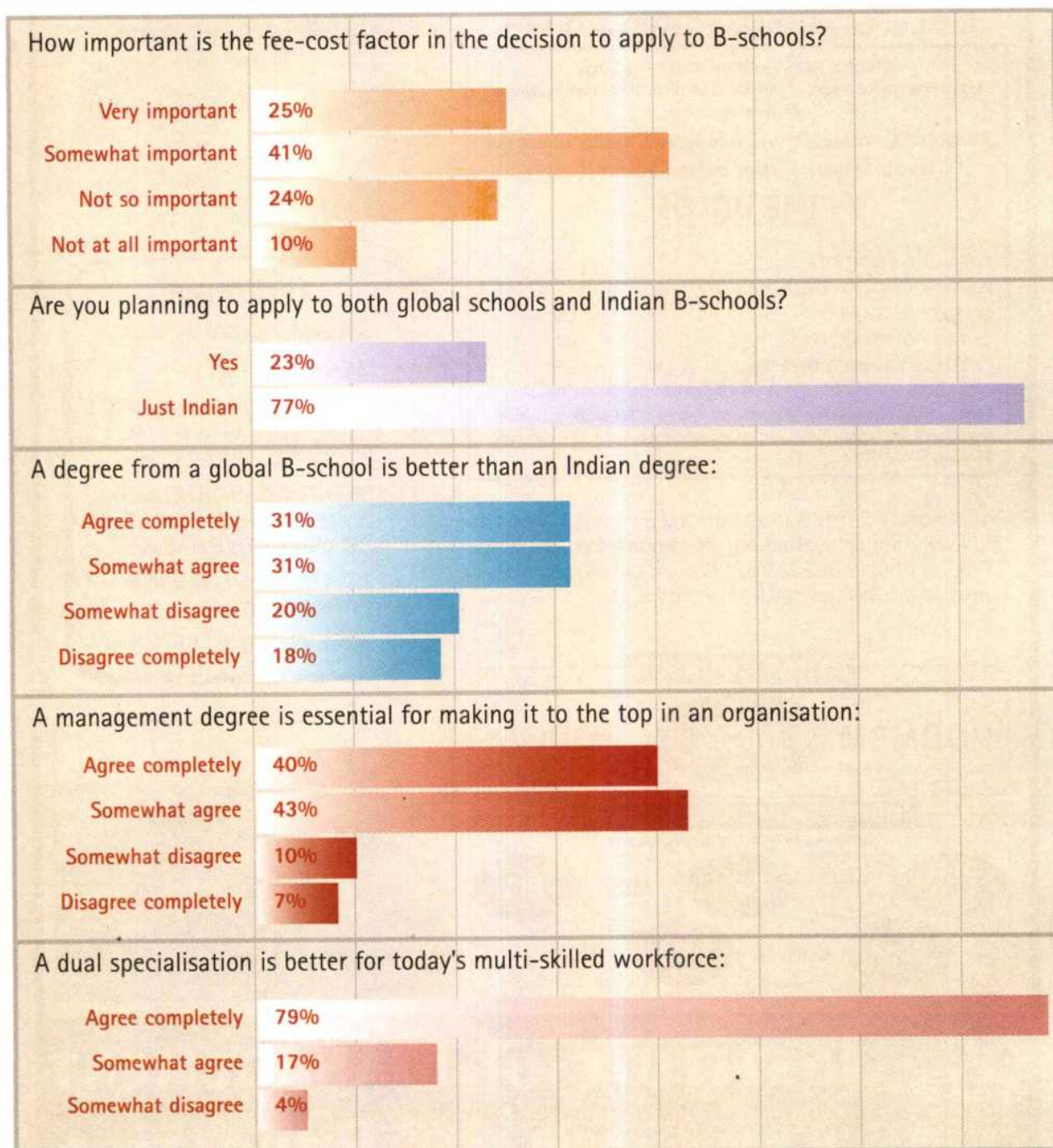


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MBA Aspirants Voice their Views

Do MBA applicants attach the same value to an Indian degree as they do to a foreign one? A poll on the Career Launcher website (www.careerlauncher.com) answers this and other important questions





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(Affiliated to C.C.S.
University, Meerut)

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- Strong team of 35 core faculty headed by the Director, Dr. Rattan Sharma, formerly at ASCI-Hyderabad, IIM-Lucknow & MDI-Gurgaon.
- Students have been securing top positions in different courses at University level. Scholarship schemes available for meritorious students.

- Lush green independent campus having separate blocks for UG & PG courses, Resource Centre & hostels for Boys & Girls.
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- Value added courses in addition to University prescribed syllabus.



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PGDM

VIIITH BATCH

SESSION 2003-2005

(Approved by AICTE, Ministry of HRD, Govt. of India)

SELECTION PROCEDURE

ELIGIBILITY CRITERIA

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A minimum of 3 years Bachelor's Degree or equivalent in any discipline recognised by the Association of Indian Universities / AICTE is required. Candidates appearing in their final year of graduation may also apply

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IMPROVING BUSINESS PERFORMANCE

The Real Price of An MBA Programme

DEV DUTT DAS



o you've memorised the formulae and done the maths. Now try this one – what does it cost to do the IIM-A programme? If your answer is three lakhs, it's time for you to hit the books again. Because, that merely covers tuition, expenses on boarding, teaching material and so on. The real cost of doing any MBA course is much higher than the

total fees indicate. And it starts much before you actually join a B-school. Take the case of Chirayush Agrawal, a second-year student at IIM-A. He paid Rs 14,000 for the preparatory courses and another Rs 5,000 for different application forms. And this was almost three years ago.

The prep and application stage can burn a big hole in your pocket – and no scholarship can patch it up. Most candidates spend in excess of Rs 30,000 before taking the exam! Don't believe us? Let's crunch some numbers.

COACHING COST

Classroom coaching costs a bomb – be prepared to shell out Rs 20,000 for a good course. Of course, correspondence courses are relatively cheaper at Rs 6,000-9,000. Bottom-line: you end up spending anywhere between Rs 6,000 and Rs 20,000 for coaching alone.

APPLICATION FEES

The CAT bulletin and the CET (conducted by Maharashtra state), were a pricey Rs 1,100 each last year, while AIMT (All India Management Test) cost Rs 750. The admission forms for their allied schools cost another Rs 500 to Rs 1,200 a school.

Institutes which hold their own tests don't come cheap either – XLRI, which conducts XAT, charged Rs 700 an application last year while the cost of applying to SIBM, Pune, was a steep Rs 1,450. If you apply to about six institutes other than the IIMs (as most students do), you will run up a bill of Rs 7,000 to Rs 9,000 for the application forms alone.

"If we consider costs of applying, then plan out which

schools you will apply to, based on your evaluation of your capabilities and the areas you are interested in specialising in. This is much wiser than blindly applying everywhere," says Aditi Kavarana, a first-year student at XLRI.

OTHER EXPENSES

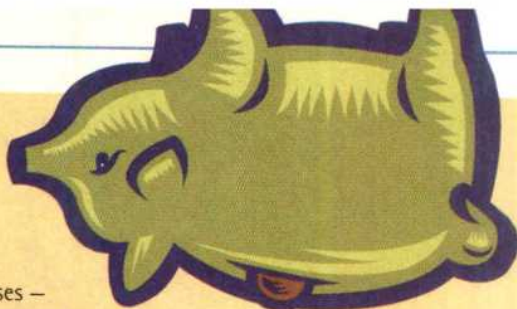
There's still one more outgo to worry about: travel expense. Once you crack the test, a call from the B-schools will have you scampering for your dad's wallet again. Many B-schools have only a limited number of centres for the GD and interview. In fact, TISS (Tata Institute of Social Sciences) has just one: Mumbai. Even candidates living in metros like Lucknow have to come to Delhi for their IIM interviews. The round trip alone will cost over a thousand rupees – and that doesn't include the stay.

Taking some form of coaching, buying books, getting electronic training material and purchasing application forms are almost unavoidable expenses these days. You can even think of them as an investment – a minimum salary of Rs 5 lakh is a sure bet in good B-schools.

But don't forget to balance that against the chances of actually getting into one. The 'Which MBA' Survey, published by *The Economist*, ranks IIM-A as the most difficult school to get into. While the Ahmedabad-based school scores 4.9 on a 5-point scale measuring the difficulty of getting admission, US schools like the Harvard Business School (4.6) and Columbia University (4.5) are comparatively easier to get into.

So weigh your chances carefully – and spend smart. ■

HANDY COST RECKONER



IIM Ahmedabad: Annual expenses — covering tuition, library, computer, room, board, teaching material, and other fees — are around Rs 1,50,000.

IIM Bangalore: Expenses for a single student living in campus come to around Rs 1,35,000 per year.

IIM Calcutta: Currently, the total expenses are Rs 1,27,000 per year. In addition there are the mess charges of Rs 1,500 per month.

IIM Indore: The annual expenses are around Rs 1,20,000.

IIM Kozhikode: At present, yearly expenses come to around Rs 1,00,000 for the first year and Rs 1,10,000 for the second year. Boarding is extra.

IIM Lucknow: Yearly expenses on tuition, computer use, room rent, board, teaching material and other fees are approximately Rs 1,40,000.

IIT Mumbai: The approximate per-semester fee is Rs 45,000. This includes tuition, hostel charges, medical, gymkhana charges, etc. Mess charges are around Rs 1,000 per month.

IIT Delhi: At the Department of Management Studies, students have to pay Rs 30,475, at the time of joining, which includes tuition fee of Rs 25,000; one-time fee of Rs 1,200; semester fee of Rs 1,275; refundable security deposit of Rs 2,000 and alumni association life membership fee of Rs 1,000. In every subsequent semester, students have to pay Rs 26,335. In addition, they have to pay hostel fee, cost of books/course material, placement fee, and so on. Hostel rent is Rs 1,000 per month.

IIT Kanpur: The Department of Industrial & Management Engineering charges Rs 17,500 a semester as tuition fee. Hostel room, electricity and gymkhana cost an estimated Rs 8,000 a semester. Mess charges have to be paid according to actual expenses. SC/ST students are exempt from tuition fees, but have to pay other fees.

IIT Kharagpur: At the Vinod Gupta School of Management, the fee was Rs 36,300 a semester for the academic years 2001-02 and 2002-03. This includes tuition, room, teaching material, library, computer facility and other institutional fees. The fee may rise to Rs 40,000 per semester in the academic year 2003-04. Mess charges are extra. A refundable caution deposit is mandatory.

IIT Madras: The one-time payment at the Department of Humanities and Social Sciences is Rs 3,900. Semester fees, including tuition fees, amount to Rs 32,600. The caution deposit is Rs 2,000.

FMS, New Delhi: At the Faculty of Management

Studies, University of Delhi, the approximate annual fee for the MBA programme is Rs 11,000.

MDI Gurgaon: Tuition fees for the first and second years are Rs 1,25,000 and Rs 1,30,000

respectively. This excludes

expenses on lodging, boarding, computer, e-mail, intranet, library fee, alumni association, reading material, which could be as much as Rs 65,000-Rs 70,000.

For NRIs and foreign students, the tuition fee and other charges are \$10,000 in the first-year and another \$10,000 in the second, except for boarding and lodging, which are payable in INR and are charged on actual basis.

IIFT: At the School of International Business Management, IIFT, the tuition fee for the general category is Rs 1,25,000 per year. For SC/ST categories, it is Rs 62,000 per year. For NRIs/foreign nationals, this is \$8,000 per year.

The hostel fee is Rs 21,000 per student per year on double occupancy basis. Triple occupancy costs Rs 14,000 per student per annum. Foreign nationals/NRIs have to pay the equivalent amount in USD. There is also a refundable security deposit of Rs 5,000.

SCMHRD: At SCMHRD, the tuition fee for open seats is Rs 65,000 per annum for Pune campus and Rs 70,000 for the Nashik campus. For industry-sponsored seats and students of family business management, the fee is Rs 1,30,000 and Rs 1,40,000 for Pune and Nashik campuses respectively. There are also management discretionary seats, with fees of Rs 1,95,000 and Rs 2,10,000 at the Pune and Nashik campuses respectively.

The above information is sourced from the admission brochures of B-schools for the academic year 2003-04.

PREP BILL

Classroom Coaching:
Rs 13,000 - Rs 20,000

Correspondence Coaching:
Rs 6,000 - Rs 9,000

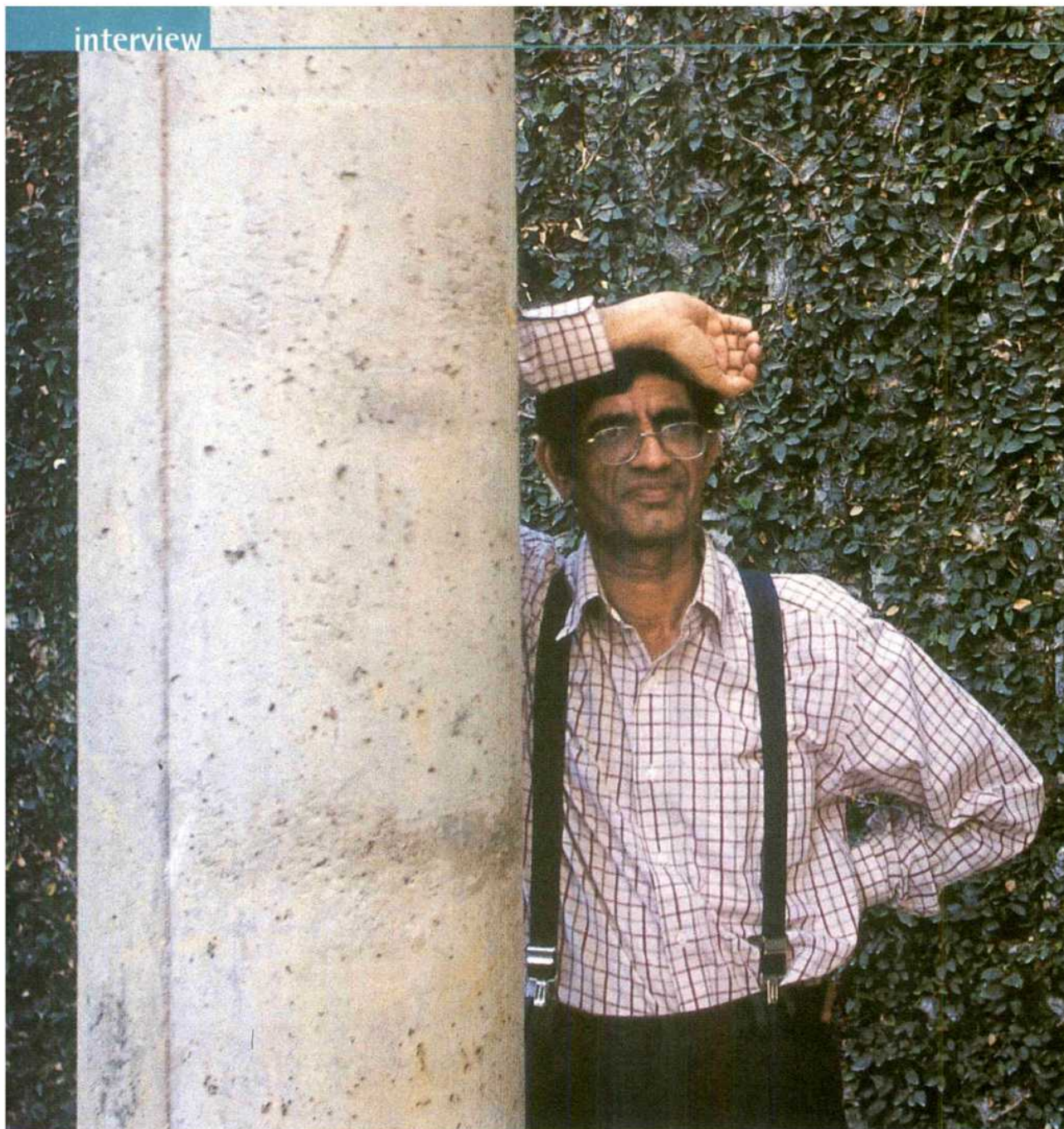
Applications: Rs 7,000 - Rs 9,000

Travel: Rs 400 - Rs 1500*

Study Material:
Rs 700 - Rs 850 (Including Rs 280 for seven months subscription to a competition magazine)

TOTAL DAMAGE:
Rs 27,100 - Rs 40,350

* Approximate cost of train travel to and from a centre within a radius of 500 km



Q What differentiates IIM-B from the other IIMs? What kind of students do you want to attract to the institute?

Srinivasan: We live our philosophy of 'Excellence through partnerships'. This is less Dilbertian than it may sound. Collaboration

with corporations and academic institutions throughout the world has enriched our classroom. We are rooted in India and alive to the problems of industry in India and Asia through the extensive research and consulting activities of our faculty. At the same time, our strong links with international institutions like INSEAD in France, McGill University in Canada, the University of Lancaster in the UK, Bab-

son College in the US and the Maxwell School at Syracuse University through joint education, faculty exchange or research programmes help us keep at the international cutting-edge of management ideas and pedagogy. We hopefully think and interact globally, but learn and apply our learning locally and regionally.

Before I list our strengths, let me add that that I have listed the student 'specs' below. Our strengths include:

- 1: A strong international focus
- 2: Partnerships with leading business schools across the globe (for example, we partner INSEAD and McGill, Lancaster and Hitotsubashi Universities in offering the International Masters Programme in Practising Management, a

"Our Course is on par with Global MBAs"

global MBA for senior managers in MNCs)

3: Highly-qualified faculty, many with doctoral qualifications from the world's best institutions; during the 1990s, our faculty have held visiting positions at the Sloan School (MIT), the Wharton School (U. Penn.), the University of Texas at Austin, New York University, the University of Minnesota, INSEAD, Katholieke Universiteit (Leuven, Belgium), RMIT (Melbourne), AIT and received awards. Our faculty have published their research work in top international journals like the Academy of Management Review, California Management Review, Research Policy and the Journal of Financial Economics, among others

4: Largest faculty strength among top Indian B-schools

After 1947, the Indian government focussed on the development of indigenous science and technology. As a technology-base was being created, it became clear that the country needed to simultaneously encourage management talent and resources. The response led to the creation of the Indian Institutes of Management in the country. One of them was IIM-Bangalore. Need we say more? An interview with dean (academic) R. Srinivasan

5: Openness to new ideas, innovation, and philosophy of continuous improvement help us keep the curriculum continually updated

6: Outstanding student body (about 1 in 300 applicants admitted; IIM-B students have participated in international events such as the OFW World Business Dialogue at Cologne, the annual symposium at the University of St Gallen, case-writing competition conducted by Mitchell Madison Group and the Asian Moot Corp contest at Hong Kong)

7: Executive education partnerships with leading multinational (British Aerospace, Siemens) and Indian (Reliance: India's largest private sector company; BPL: leading player in the consumer durables sector) companies

8: Industry-level partnership with the Indian software industry leading to the Post-Graduate Programme in Software Enterprise Management: partner companies include one of India's largest IT companies (Wipro) and top-ranking multinational companies (Oracle & Motorola)

9: Student exchange programmes with leading business schools across the globe including London Business School (UK), Melbourne Business School (Australia), ESADE (Spain), Copenhagen Business School (Denmark), University of Washington-Seattle (US), York University (Canada), WHU Koblenz (Germany) and JIBS (Sweden).

Businessworld: A number of IIM alumni go on to do their second MBAs abroad. Why do you believe this is happening? Is global accreditation of some kind important these days? Do Indian B-schools need to do more?

Srinivasan: Presently, a few students use the second MBA as a means to relocate to other countries. As leading global companies recruit in India, the propensity of students to do a second MBA abroad will decline. Another factor that will decrease the need for getting a second MBA is international exposure from Indian jobs – more MNCs in India now offer early career postings outside India that improve international mobility. Increased global exposure for Indian B-schools will also help. Accreditation might help. So might IIMs getting a degree-granting status.

Businessworld: How 'global' is your programme? How

would you rate it vis-à-vis the top 30 US B-schools?

Srinivasan: Our course content is on par with global programmes. Through student exchange, summer internships and specialised courses with an international component, about 50% of our class currently gets global exposure and we hope to increase that to 100% within the next couple of years. We consider our programmes to be as good as those offered by the best B-schools anywhere. It is partly based on very good teaching. It is also based on a pool of exceptional students; academically, this pool is about the best one can get. I will stop at this lest the current batches get uppity.

Businessworld: **What is the most important thing a prospective student must know about your school?**

Srinivasan: The old-fashioned virtues of ethics, intelligence and hard work are essential for survival. I know I cheated and got in three things, so let me add another: students need to think on their own.

Businessworld: **How important is accreditation by the AICTE?**

Srinivasan: For the IIMs in general, accreditation is not a critical issue, given their strong governance structures. However, AICTE has an extremely important role in ensuring that the large number of other management schools maintain quality.

dents and companies to interact better with each other well before the start of the hectic final placement period. This has led to better offers for experienced students in 2002. With the changing profile at IIM-B, we see lateral placements gaining prominence and IIM-B becoming a major source for companies to make high-quality lateral hires.

Being based in Bangalore certainly helps. The most obvious placement destination is the IT industry, with which we have very strong links based on the work of our Centre for Software Management and the Nadathur S. Raghavan Centre for Entrepreneurial Learning, as well as the long-duration Post Graduate Programme in Software Enterprise Management that we have offered for several years. The city also attracts global players outside of IT; this again enhances linkages with industry.

Businessworld: **What is the most important part of the admissions process in your school?**

Srinivasan: We take a holistic perspective of a candidate based on their prior academic performance, performance in CAT, work experience and performance in group discussion and interview. Performance in CAT is the single most important factor in the admission process.

Businessworld: **Is work experience becoming more important these days? How much weightage do you give to**

“We believe that an applicant with relevant work experience has a natural advantage in the interview and group discussion process”

Businessworld: **What are the things every prospective student must look for in a business school to ensure that the course is worth the time and investment?**

Srinivasan: (1) Faculty, (2) Faculty, and (3) Faculty

I am not being facetious. While all education can benefit from a good teacher, with management education a good teacher can make a significant difference. The reason is that a good management education is not just about theory but its application to organisational reality. One can, at a pinch, learn calculus with only a text. But not management. With high-quality faculty, IIM-B's world-class infrastructure does help. But sans good faculty, air-conditioned rooms and Pentiums do not a good management institute make.

Businessworld: **Did IIM-B try out any special initiatives to place students this year? Does the school have a location advantage that other IIMs don't?**

Srinivasan: We initiated a separate lateral placement process for students with over two years experience for the first time in placements 2002. We had 35 eligible students in 2002 and we have 60 eligible students in 2003, with a few of these having substantial prior work experience of 5 to 12 years. The lateral process has created an opportunity for experienced stu-

work experience in the admission process?

Srinivasan: We believe that relevant work experience adds to a student's ability to make the most of our programme. It makes the instructor's task in class that much more difficult and challenging (as the issue of application of theory to organisational reality is always there up-front), to the mutual advantage of all students (those with and those without work experience) and the instructor. An applicant with work experience should have a natural advantage in the interview/group discussion processes.

Businessworld: **How is your programme responding to critics who say that MBA courses are losing relevance?**

Srinivasan: The number of people applying for admission to our programme, and the number and reputation of the organisations interested in placements – all suggest that our programme is in no way losing relevance. Internally, we do a periodic review of all our programmes to ensure that they are achieving their objectives. ■

This response is an outcome of a team effort. Other than dean R. Srinivasan, the respondents are Professors R.T. Krishnan (chairperson, Post Graduate Programme in Management), Abhoy K. Ojha (chairperson, admissions) and Ganesh N. Prabhu (chairperson, placement).

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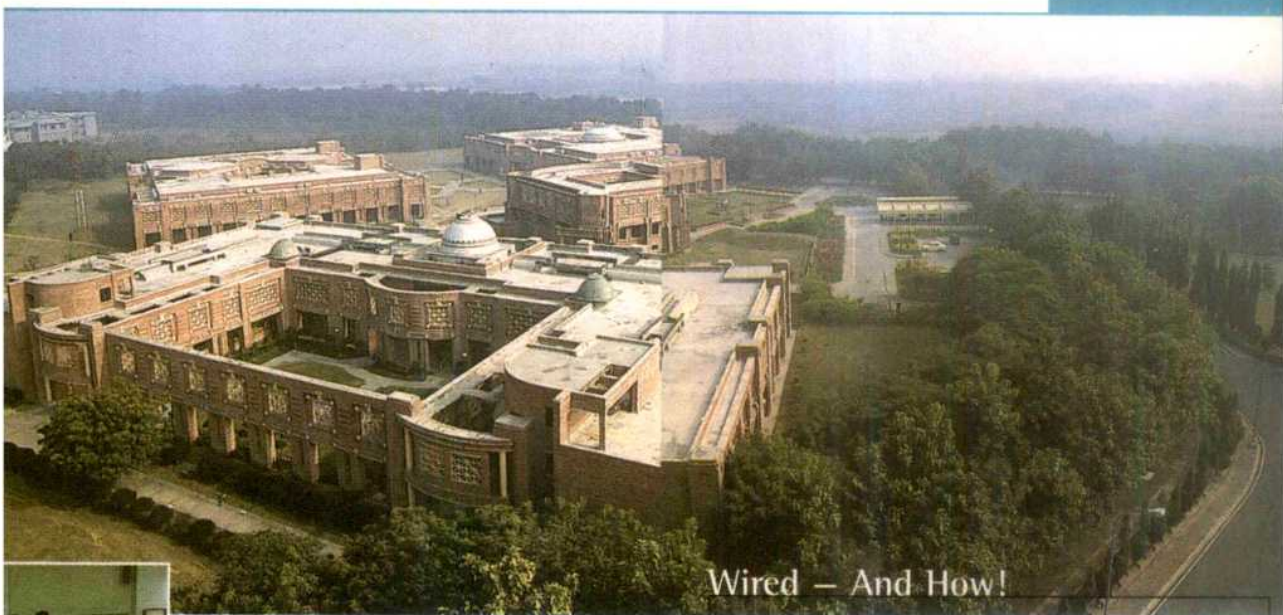


IIM Lucknow: Making Gl

PHOTOGRAPHS: DILEEP PRAKASH

THE expanse of IIM-L's campus hits you even as the sentinels at the gate let you in. The school's annual festival Manfest is going on – it is a big affair with attendance from B-schools across the country. This is also the time of the year when IIM-L's alumni descend on their alma mater to renew old ties. Yet there is a calm on the campus that you would normally associate with winter break.

The 198-acre campus – one of the biggest among B-schools in India – is dwarfed only by IIM-L director Pritam Singh's vi-



Wired — And How!

You can't produce global leaders out of second-class facilities. The 198-acre IIM-L campus is fully wired — even the faculty residences. And once a telecom company brings a pipe into the campus, IIM-L's location disadvantage will vanish — virtually



Debashis Chatterjee's international leadership programme at IIM-L is attended by executives like Bernard Blais, president and CEO, Health Alliance, Canada

Thinking Leadership

Global Leaders

sion of Indian B-schools. "Somehow, we have to give the impression that there are world class institutions in India. By 2025 demographic trends will ensure that the developed countries will not have adequate manpower to manage their businesses. Indian B-schools have the opportunity to emerge as intellectual leaders and global suppliers of manpower."

He is trying to prepare over 200 global leaders every year right here at IIM-L. *Businessworld's* photo-editor Dileep Prakash brings you snapshots of the work-in-progress...





"We'll get global accreditation"

Dilip K. Bandyopadhyay, dean (research & academic collaboration) talks about IIM-L's plan for global accreditation and how it will further the school's agenda:

Q: What is the kind of global accreditation IIM-L is looking for?

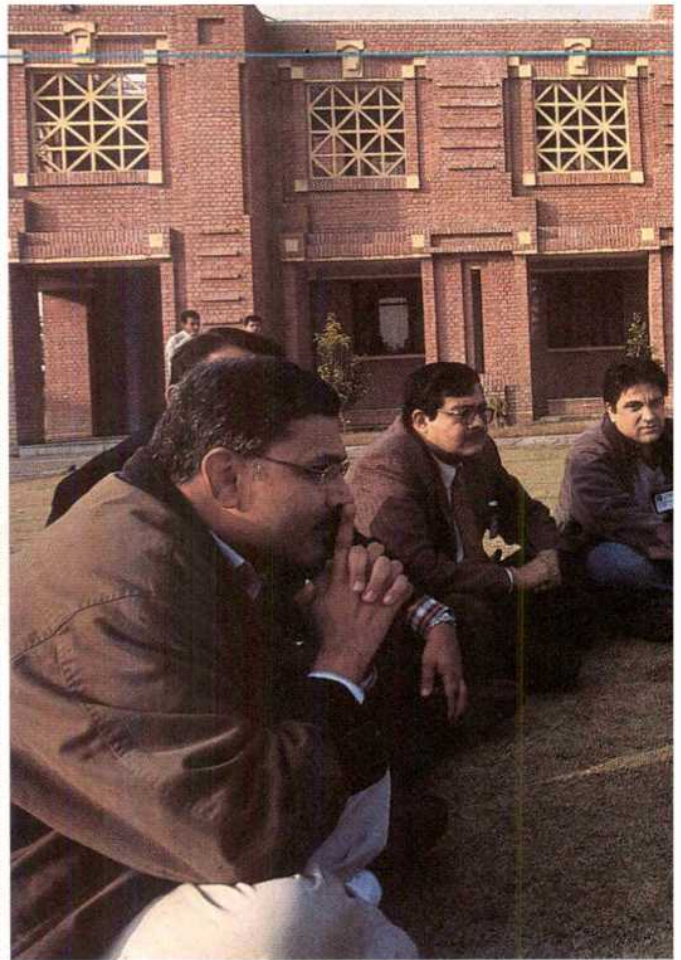
A: IIM-Lucknow is looking for accreditation from EQUIS (launched by the European Foundation of Management Development) and for American accreditation from the Association to Advance Collegiate Schools of Business (AACSB).

Q: Why is global accreditation important? How will it further IIM-L's agenda of creating global leaders?

A: The fact that the quality of education has been judged by a global accreditation committee means that it can be taken for granted to be of high quality. The education quality becomes officially comparable to that offered at any other institution in the world accredited by the same body. From an employer's point of view, whether he picks students from schools in Sweden, Germany or IIM-Lucknow, he can be assured of the quality of students. This is how it helps in making global leaders.

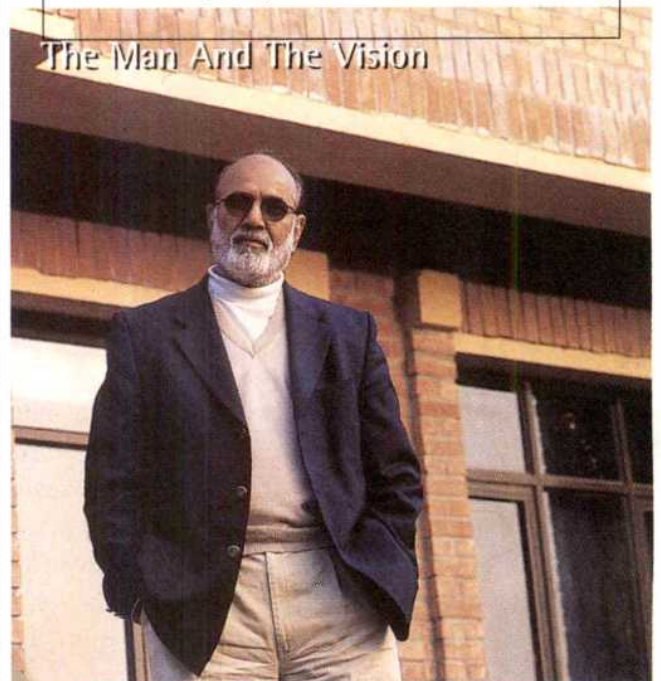
Q: What are the credentials of the accrediting body? When do you expect to get the accreditation?

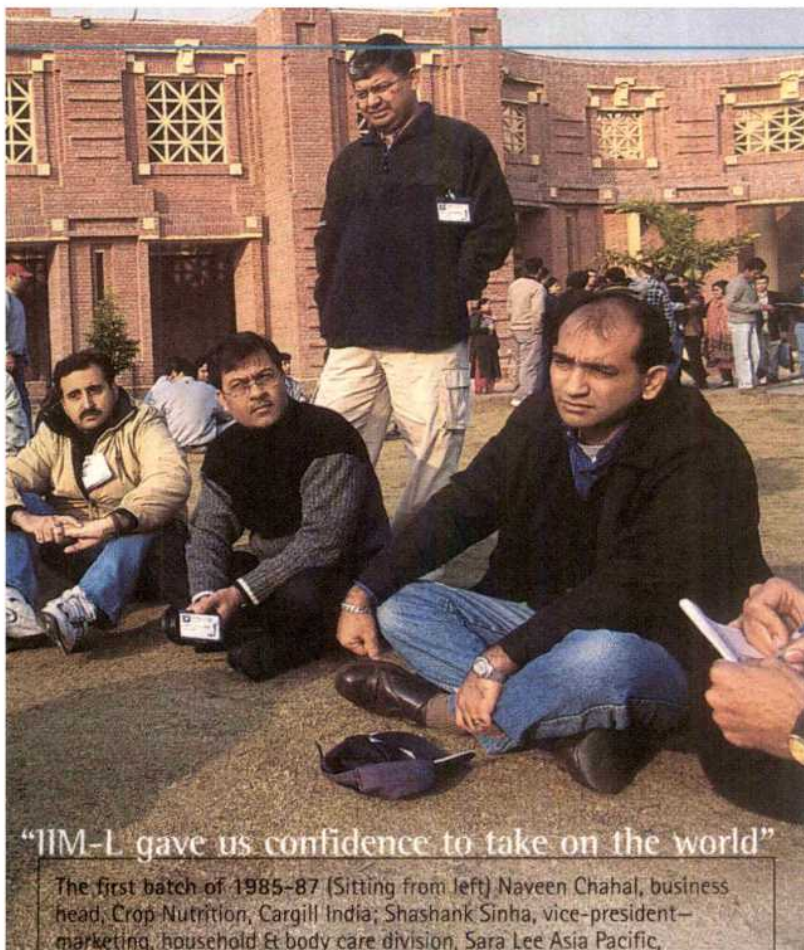
A: EQUIS is the accreditation for most of the high grade institutions in Europe like the London Business School and The Copenhagen Business School and AACSB gives accreditation to the best management schools in America. These facts speak volumes about the bodies. We expect to complete the process in two years.



"When you see things in the context of increasing population here and the ageing of the West, Indian B-schools should step in to provide manpower as a product. We see education as a global product." – Pritam Singh, director

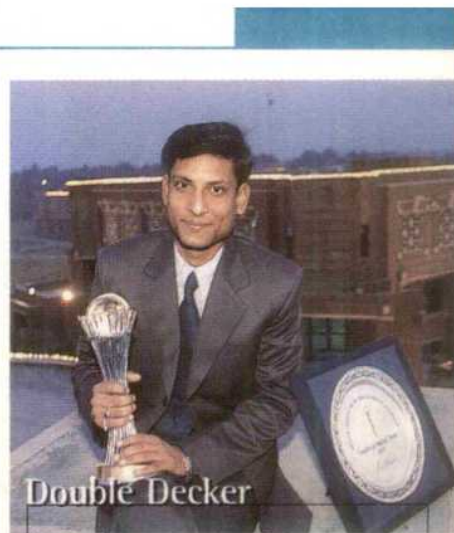
The Man And The Vision





"IIM-L gave us confidence to take on the world"

The first batch of 1985-87 (Sitting from left) Naveen Chahal, business head, Crop Nutrition, Cargill India; Shashank Sinha, vice-president-marketing, household & body care division, Sara Lee Asia Pacific, Singapore; Rahul Gupta, own business; Sanjay Thapar, vice-president, Ogilvy & Mather Advertising; Rajiv Chandra, marketing director (Lisbon), Reckitt Benckiser; Atul Gupta, head, ASP Business Group, i-flex solutions and Sudhanshu Sarronwala (Class of 1988), CEO, Soundbuzz, Singapore



Double Decker

For the first time in four years, Deepak Gaur has ensured that LIMCA (Leaders in Making award) stays at IIM-L. Gaur's leadership skills entitled him to the cash prize of Rs 50,000 (that's right). Gaur and his team members also bagged the prestigious Tata Business Leadership Award in January for identifying a new business area for the Tata Group

Three months seem too short a time to soak in the foreign MBA experience. But Alekh Gupta (second from right) thinks it is a fine introduction to a global mindset. Gupta is one of 24 exchange students IIM-L sent to a foreign school last year. IIM-L plans to bump up the figure to 50



Globetrotters

"Our Input & Faculty is Globally Comparable"



IIM Calcutta's vision is to emerge as an international centre of excellence in all facets of management education, rooted in Indian ethos and societal values. An interview with dean B.N. Srivastava

Businessworld: What sets IIM-C apart from the other IIMs? What kind of students do you want to attract to your school?

Srivastava: It is the focus on quantitative and analytical skills that sets IIM-C apart from other IIMs. IIM-C is also known for the rigour of teaching content, methodology and evaluation. It is extremely difficult to get into IIM-C but it is still more difficult to pass out of IIM-C. We want to attract the brightest students, irrespective of any other consideration like age, sex, religion, ethnic background or nationality as permitted by law.

Businessworld: A number of IIM alumni do their second MBAs abroad. Why? Is some kind of global accreditation important these days? Or, do Indian B-schools need to do more to compete?

Srivastava: This is not entirely true and it may just be a matter of exception. Many of our students are getting jobs directly in the US, and some of our own Fellows, without an American PhD., are teaching in US universities. Accreditation is not the question mark for us. Indian MBAs lack in international exposure and that is why we have started international exchange programmes for the duration of a semester – this enriches those who go abroad and also those who do not by giving them an opportunity for a closer interaction with international students.

Businessworld: How 'global' is your programme? How would you rate it vis-a-vis the top 30 US B-schools?

Srivastava: You want me to compare the incomparable. Indian B-schools are different from their foreign counterparts. But we are as good as any top school in the world. Our input and the teaching faculty is globally comparable. But our resources and support facilities are not. We lack in global diversity in terms of students and faculty nationalities represented.

Businessworld: What is the most important thing a prospective student must know about your school?

Srivastava: Students must know that we have a strong foun-

dation programme with focus on quantitative and analytical skills, as well as about our strengths in functional areas of finance & accounting, strategy, IT and marketing.

Businessworld: How important is accreditation by the AICTE?

Srivastava: It is important to all non-IIM B-schools.

Businessworld: What are the things every prospective student must look for in a business school to make sure that the course is worth the time and investment?

Srivastava: a) How will the B-school satisfy his life's goals or the long-term goal; b) What functional area he would like to specialise in; c) Placement record of the school; d) What do the alumni think about the school.

Businessworld: Were there any special initiatives to place students this year?

Srivastava: Nothing big in particular, but we looked for new foreign companies and adjusted their requirements with our changing batch-profile.

Businessworld: What is the most important part of the admission process in your school?

Srivastava: All parts are important and that is why they are there. Nothing less or more.

Businessworld: Is work experience becoming essential these days? How much weightage do you give it in the admission process?

Srivastava: We do give weightage to work experience but I wonder as to how to reveal this. Our admissions committee devises the weightages and they are reviewed periodically... but it is confidential. You may ask chairman-admissions.

Businessworld: How would you respond to the criticism that MBA courses are losing their relevance?

Srivastava: We agree to disagree with this. Knowledge leads to new knowledge. As long as people work in organisations in this world, MBAs or management knowledge will be required in some structure or the other. We are always responding to the challenge of change. ■

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Photographs: SANJIT KUNDU

IIM Ahmedabad Global Ambitions

NAVJIT GILL

I think, therefore... IIM-A". The T-shirt logo says it all: IIMs occupy a privileged position in India's management education system. Perched right at the top of the IIM pantheon is IIM Ahmedabad, the grandest of all Indian B-schools. For decades it has been the favoured destination for India's finest management minds. But now the gales of globalisation

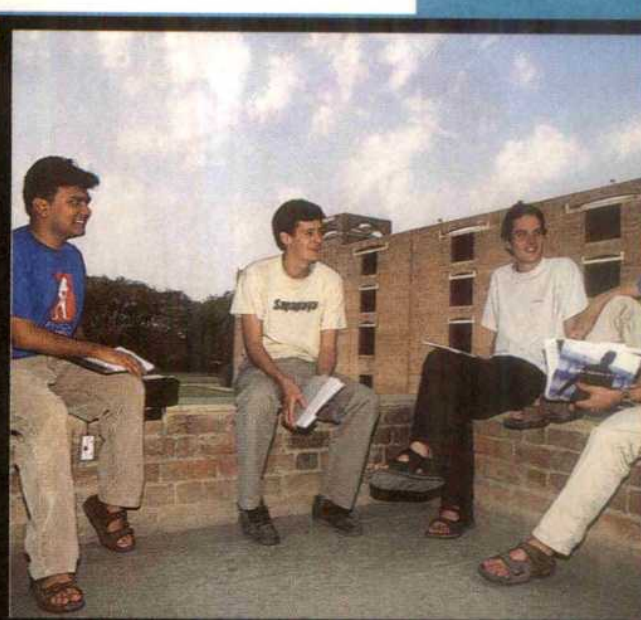
are buffeting the 55-acre Vastrapur campus in Ahmedabad. It wants foreign students to come for the programme – and help it become a global B-school.

"Our mission is to emerge as a leading school of management globally," declares Bakul Dholakia, who took charge as IIM-A director in October 2002. He is preparing the pre-eminent Indian B-school for what promises to be a humdinger of a makeover. "All leading schools have certain features – one of them is that they are international in character. This is the most important area I am going to focus on

in the next five years." Translation: substantially ramp up all international activities at the school.

In one form or another, globalisation has been on IIM-A's agenda for almost a decade, especially since 1998. Dholakia now wants to dramatically step up the pace.

"The aim of the institute is to get foreign students to study here. To facilitate that, we screen them on the basis of GMAT and other criteria," says Girja Sharan, chairperson-admissions. Last year, the school admitted four students out of about 60-65 overseas applicants. The problem is, all the



(Extreme left) **NEW AGENDA** Bakul Dholakia, the new director of India's best known B-school, is trying to make IIM-A a global brand; (left and above) **FOREIGN EXCHANGE** One of the areas where IIM-A has been hugely successful in giving students global exposure is its exchange programme. Last year, the B-school sent 55 students to partner schools across the globe. It also played host to 30 students from foreign B-schools.

students were NRIs. "This is not unwelcome but it wasn't our original intention," says Sharan.

"We are trying to draw a distinction between NRIs and others," says Dholakia. "At the same time, we don't want just any foreign applicants. We want applicants with the right quality. That means GMAT scores of 700 and above." Both he and Sharan know that getting true-blue foreign students is a tough ask. Sharan frankly admits that the IIMs are at the top only in the minds of Indians. "We also have to create a space in the minds of people abroad."

That was why the school sent a team to London in 2002 to interview applicants. Why UK? "Because that was where most applicants came from – it was the centre of gravity." The team didn't go there just to interview students, but also to understand why IIM-A was unable to attract foreign students.

There is going to be a repeat visit this year. The interview team's itinerary will take it to select undergraduate colleges in London. IIM-A has also taken on the services of Hobsons, a UK-based education consultancy, to promote 'Brand IIM-A'. "They put our write-up on their website, and in the handbook they

bring out for MBA students called MBA Casebook 2002," says Sharan. His take is simple: "We are feeling our way – but we are probably the only ones doing it."

But a global B-school isn't just about student diversity. It is also about global placements, quality of faculty, a relevant international curriculum and a global learning environment.

If there is one area where IIM-A has scored heavily, it is in giving students global exposure. Last year it sent 55 students (up from 38 in 2000) for a term to 27 schools across Europe, Canada, China, Australia and the US. IIM-A also established new exchange tie-ups with schools such as the University of California at Los Angeles (UCLA) and Manchester Business School, UK. "You get a chance to interact

with different people and get tremendous cross-cultural experience," says Akash Jain, a second-year student who went to ESCP-EAP, France. "It wasn't just about the culture in that country." The number of students who returned the favour by coming to IIM-A was smaller at 30, but then 2002 wasn't exactly Gujarat's best year.

Michael Born, a student at the University of St Gallen (HSG) in Switzerland, and Julien Gautier of ESCP-EAP,

IIM-A PLACEMENTS 2002		
Location	Number	Percentage
INDIA	119	77
US	12	8
UK	14	9
GERMANY	2	1
JAPAN	3	2
SINGAPORE	2	1
HONG KONG	3	2
Total	155	100
The top international recruiters were Lehman Brothers and Goldman Sachs		

"We want to attract foreign students"



Indira Parikh, dean-academic planning at IIM-A, went to INSEAD France in 1974-75 as an IIM-A research associate and ended up teaching a course in organisational effectiveness there. Now she is part of the faculty that is trying to catapult IIM-A into the ranks of schools like INSEAD. Excerpts from an interview with Parikh:

Businessworld: Even some IIM alumni go on to do their second MBAs abroad. Why do you believe this is happening? Is global accreditation of some kind important these days?

Dean Parikh: Individuals do second MBAs for many reasons. As a student to get entry into a country or to stay there for longer duration. Sometimes, a second MBA, especially from a reputed North American University, is

a pre-requisite for certain kinds of jobs there. The second MBA is also a prelude to a PhD. There are many universities in the US who give credit for courses completed at IIM-A.

Businessworld: How 'global' is the IIM-A programme?

Dean Parikh: The school has encouraged increasing overseas exposure for its students in several ways: (a) Participation of more and more students in the MBA programmes offered by leading foreign B-schools through the international student exchange programme; (b) Attracting a large number of foreign students to IIM-A through the exchange programme; (c) Holding events like Confluence, an international B-school meet where a large number of reputed

foreign schools participate; (d) Increasing the international focus in the training material used in our MBA programme; and (e) Offering electives in the broad areas of international business and management.

Businessworld: If IIM-A compares well with the global schools, what is being done to ensure diversity?

Dean Parikh: IIM-A is a school with high standards of excellence. We are identifying many ways to attract international students for the MBA programme as opposed to having exchange students over for one term or two. IIM-A faculty goes to Europe for interviewing students for the post graduate programme. And finally, there are many international participants in our management development programmes.

France are two of the students who came down to IIM-A this academic year. Both say that IIM-A was strongly recommended to them by students who had been there earlier. "Executives at Credit Lyonnais, where I did one of my internships, also told me it was a good choice," says Gautier.

Americans were notable absentees from the list of incoming exchange students. Neharika Vohra, who looks after the exchange programme, says that Europeans are more willing to come to India. That could change soon. Last year IIM-A joined the Program in International Management (PIM), an international consortium of business schools. "It is a way of becoming visible. Stern, UCLA, Duke and GSB are among the members of PIM. We now become preferred exchange partners," says Vohra.

Exchange students aren't the only ones travelling to foreign shores each year. Summer placements abroad are also on the uptick – last year 29 IIM-A students did their summers in foreign companies. This makes for rich international experience.

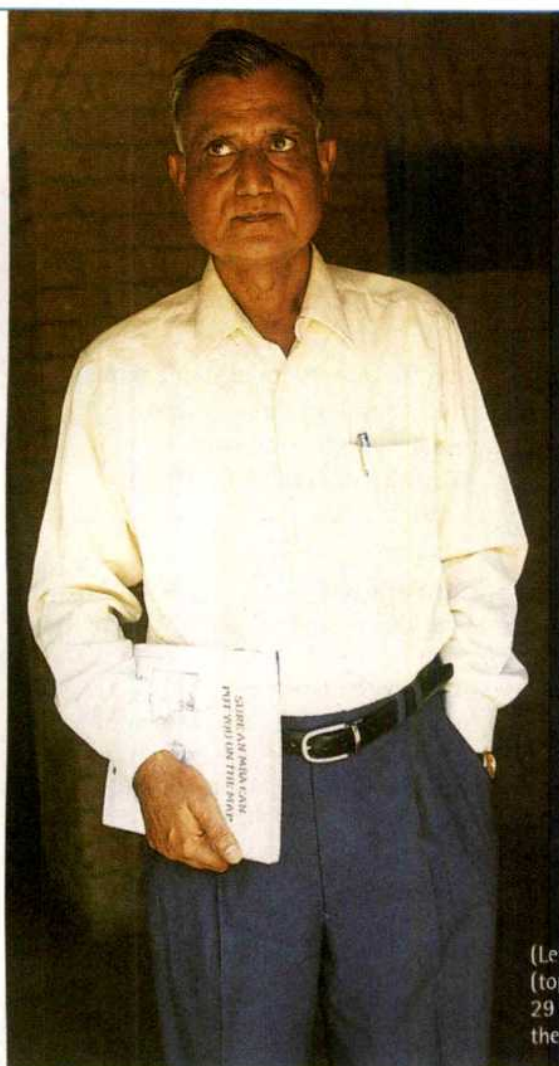
Prakul Kaushiv certainly thinks so. He did his summer internship with Goldman Sachs, in their investment bank-

ing division in London. Kaushiv got a chance to work on six assignments during the course of his 10-week internship, one of which was a live cross-border acquisition that was announced and executed during his stint there. "I was staffed on projects depending on my workload, and got an opportunity to apply my business school learnings to actual work," says Kaushiv.

He now has a pre-placement offer from the company. In fact, final placements abroad are coming along nicely. Thirty-six students went for international postings last year.

While American students may not exactly be queueing up for the exchange programme yet, they do flock to Confluence, IIM-A's annual international business school festival. Started off in 1999, the festival brings together students from across business schools to compete in paper presentations, case contests and simulated games. Confluence 2000 saw international participation for the first time, with teams from Sloan School of Management, MIT and Richard Ivey School of Business (Canada).

Last year was bigger and better than ever before. The budget for the festival was doubled, an entrepreneurship



(Left) **PUSH FACTOR** Girja Sharan, chairperson admissions; (top) **DREAM INTERNSHIPS** Prakul Kaushiv and Ritesh Gupta, two of 29 students who went abroad for their summers; (above) **CONFLUENCE** the annual festival which attracts participation from global B-schools

fair was added and, a couple of months before Confluence opened, online games were introduced with the help of ICICI. Twelve international B-schools, including Wharton and Stern, took part in the mega fest.

The international focus is apparent in the B-school's curriculum and research initiatives as well. "There is an explicit focus on international case material development," says Dholakia. "That is a priority area and we will do whatever is required – including funding it." Jagdeep Singh Khandpur, director (HR), Bharti Tele-Ventures, feels that the cases being taught at IIM-A's management development programmes are current and draw on relevant global experiences for emerging industries like telecom.

Indira Parikh, dean, academic planning at IIM-A, says that the school is offering a large number of new courses, including a full course on cross-cultural management.

Perhaps the greatest challenge the school is facing is in attracting faculty from other leading schools. Compensation is the main problem: the cost of foreign faculty can easily be 4-5 times that of the Indian faculty. It's not a simple matter of paying them – the cost has to be justified before

government representatives.

IIM-A is looking at various options, including the possibility of business houses compensating the foreign faculty. Dholakia is also focusing on IIM-A's alumni. "There is hardly a leading global B-school where our alumni is not teaching. We are trying to get them to come here and teach."

But compensation is not the only snag. IIM-A also has a locational disadvantage. So don't be surprised if an IIM-A Delhi or IIM-A Mumbai comes up soon (the school is already talking to the Maharashtra government). "The foreign faculty will then get a chance to pursue other interests as well," says Samir K. Barua, in-coming chairperson of the post-graduate programme.

It is evident that a lot of thought is going into building Brand IIM-A's global equity. Dholakia wants to have an international-quality website up and running soon. He is also trying to move beyond relying on word of mouth and Indian rankings to spread the gospel of 'Brand IIM-A'. "We are considering a global campaign. The campaign is a one-time investment which we have to make," he says.

Watch out for it. ■



"Many of our Alumni Work Abroad"

Established in 1949, XLRI's objective is to contribute to the professional management of industry, government, labour, and non-governmental organisations. An interview with the director P.D. Thomas

Businessworld: What is XLRI's value-proposition? What kind of students do you want to attract?

P.D. Thomas: Our value-propositions and the kind of students the institute wants to attract are contained in the following statement:

XLRI would like to have its graduates contribute to the professional growth and management of institutions that serve the public, especially the organised industry, labour, service agencies engaged in rural development, education, health and other public systems. Besides the focus on developing managerial competence among the students through the acquisition of specialised knowledge and skills, the institute emphasises the importance of developing a sense of social justice with right attitudes and values of discipline, dedication and commitment among all its members.

Businessworld: Can XLRI's programmes (Post-graduate Programme in Personnel Management & Industrial Relations; Business Management) be called truly 'global' in the sense that they prepare global managers? How do the programmes compare with the best US B-schools?

P.D. Thomas: XLRI's programmes are truly global and international for the following reasons: 1) They are modelled on Harvard Business School and the Jesuit Business Schools in the US; 2) After studying the syllabi of national and international schools, XLRI updated and put into practice its new curriculum in 2002; and 3) About one-fifth of its 7000-plus alumni are working abroad. In fact, certain MNCs prefer XLRI pass-outs to MBA graduates of some of major US B-schools.

Businessworld: How different is your PM&IR programme from the human resources programme at, say, the IIMs?

P.D. Thomas: The HR specialisation at XLRI is for a period of full two years while the IIMs and other B-schools in India have only a specialisation in HR with 5-7 courses. An *Economic Times* survey indicates that there is no other HR programme in India that can be compared with XLRI's two-year post-graduate programme in PM&IR.

Businessworld: Have there been any recent changes in the XLRI programme that prospective students should know about?

P.D. Thomas: The only constant at XLRI is "CHANGE". Therefore, it is difficult to say what a prospective student knows or should know. However, to make this point clear, let me mention a few facts about the institute: (a) XLRI's world-class infrastructure; (b) Highly-qualified faculty; (c) National selection of students on the basis of merit; (d) A computer for each student in the hostel with LAN and e-mail facilities; (e) A top-class library with over 75,000 books, CD-ROMs, videos and online facilities, video conferencing facilities; (f) Satellite-based programmes; (g) Cent percent placement every year; (h) Value-based and personalised work culture.

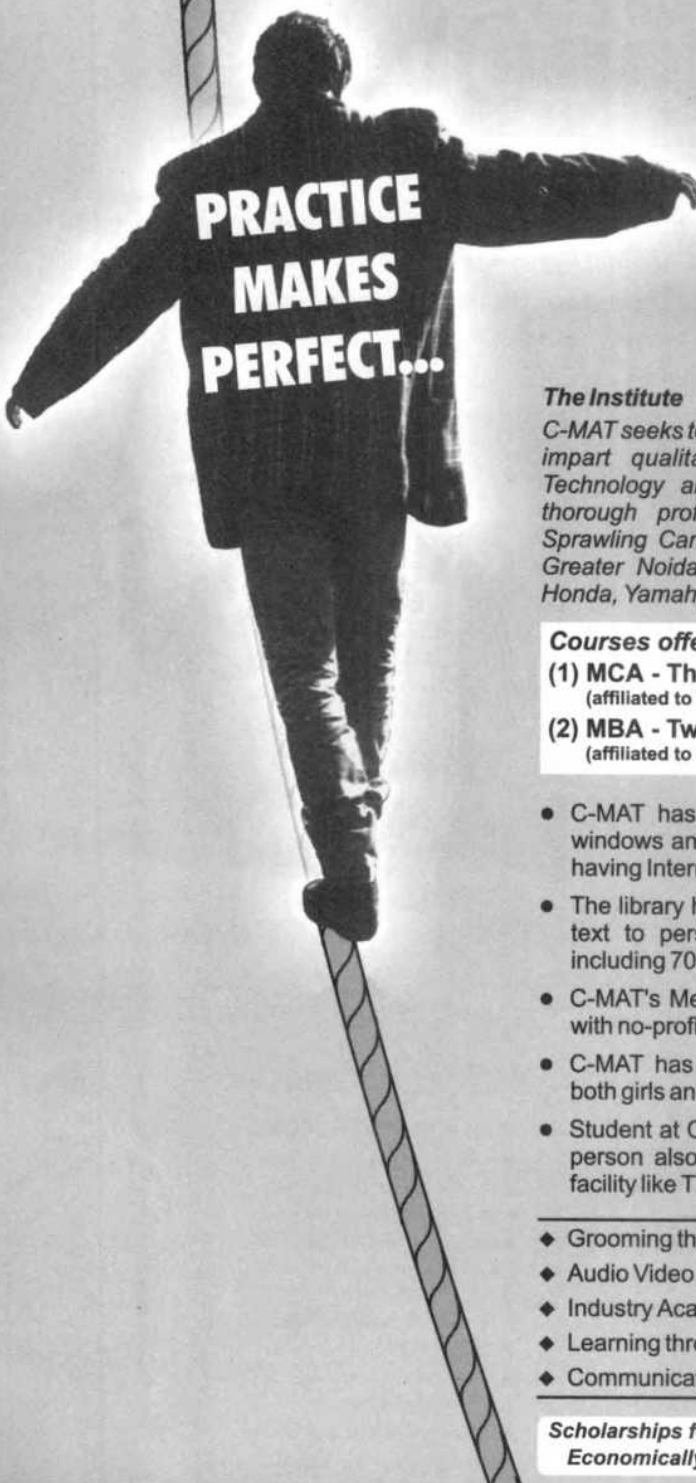
Businessworld: What are the things prospective students should look for in a business school to make sure that the course is worth the time and investment?

P.D. Thomas: They could include the following: (a) Quality and experience of the faculty; (b) Decent infrastructure, including a first-class library and availability of a computer to each student; (c) History of 100% placement; (d) Opportunity for industry-academia interaction; (e) Relevance of value-based work culture and concern for the less-privileged in the society.

Businessworld: Is work experience essential these days? How much weightage do you give to work experience in the admission process?

P.D. Thomas: It is important provided the work is of a managerial/executive nature. But many young graduates without professional training do not get managerial experience of any considerable degree.

While work experience of two to three years is ideal, we have also found that freshers with good academic background perform very well in their studies and get very good jobs. Therefore, we take note of these two points while admitting the students. ■



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FMS Student Power

NAVJIT GILL



MAGINE standing in a small circular space with 130 people hemming you in. Not ordinary people – but future Masters of the Universe, management students. The tables are arranged in the seminar room in such a way that there is a well in the centre and the lights are focussed squarely on you. Sure, you know what to expect... you rehearsed all the right answers.

But nothing prepares you for the real thing. The group grills you mercilessly. It asks you to role play. Sometimes it is all a bit too much – you break down.

You just got the scrubbing of your life.

That is why FMS students fondly call the whole proceedings the 'soap box'. The intense session ends with the election of second-year students to the executive body (non-executive members are similarly elected) of the Management Science Association or MSA. Every student at FMS is part of MSA, which organises all student activities at the B-school. "The calendar of FMS does not match the calendar of DUSU (the students body at Delhi University), but the students do need a forum to channelise their energy and ideas and hone leadership and organisational skills," says M.L. Singla, the faculty advisor to MSA.

The association works through nine committees: finance society, corporate relations and placements or CRAP (that's right!), marketing society, systems society, cultural activities cell; press and publications, HR&OB society, infrastructure committee and a treasurer. Join one of them, and your management curriculum is complete. "When I took on this 'job' in my first year, I knew it would be challenging," says Harman Dhillon, the placements secretary. "I had no idea it would be this challenging. The amount of decision-making that goes into it will be a huge advantage in the corporate set-up."

But becoming an executive or non-executive member of the MSA is tough. There is no campaign, no drumming of support – just a gruelling session in the pit. "You have to read up a lot on the history of the cell you want to join, and speak to old members," says Anindya Sen, a first-year student.

If you want to join the treasury, be prepared to face attacks on your personal integrity. Every wannabe manager knows you can't be too careful these days. A member of the placements society – this is a vital role – has to come armed with a full agenda. "People who give their nominations for the placements society can be asked to role-play in the soap box. For instance, a student was asked how he would deal with a



MSA JOB SHEET 2002

- Networking of entire campus
- Acquisition of laptops, OHP projectors and AV systems
- Agreement with Harvard Business Review to exchange academic journals
- Renovating faculty premises
- Designing FMS publications
- Initiation of worldwide alumni meetings
- Revamping faculty website
- Three national level seminars and a convention
- Work on development of 'Knowledge Management Server'



Photographs: DILEEP PRAKASH

situation where a recruiter from Coke was offered Pepsi's Aquafina," says Rohan Arora, general secretary of MSA.

The association has been around for as long as the full-time programme, but it was organised and registered as a society only in 1995. What makes MSA a central part of campus life at FMS is the range of student activities it is involved in. Activities that give students an opportunity to organise, manage – and lead.

Private B-schools have funds that can be channelled into everything from seminars to conventions to laptops. These are hygiene factors at any A-class school. The fee at FMS is among the lowest in the country – less than Rs 25,000 for the two-year programme (the tuition fee at most other top schools is 10 times that). Naturally, there is only so much FMS can do for its students.

One of the first things that happens at the beginning of every academic year at FMS is that every student willingly chips in with anywhere from Rs 5,000 to Rs 20,000 each. Along with the money from sponsorships, MSA's resources top Rs 30 lakh every year. After that, it is up to the students to work with MSA members and make it go a long way.

This is exactly what they did last year. The whole campus – including the faculty rooms, classrooms and seminar rooms – was networked at a cost of Rs 6-7 lakh. Shireesh Bhandari, a second-year student, was part of the team that networked the campus. "Everything I did was like a non-credit systems architecture course. The pressures were exactly like those in a regulation workplace. It's the best learning I have ever had." Rohan Padhi was also part of the same team. Padhi worked for two years at Cognizant Technology Solutions before coming to FMS. He feels the experience gleaned from negotiating with vendors was as valuable as any corporate assignment.

Even as we write this, there is hectic renovation going on at FMS. Most of it is minor refurbishing. But there is also some major work happening. MSA recently got a room in the faculty building where it will hold its meetings in the future. The room is being fully remodelled. Suvranjan Biswas, an architect by training, is one of the students assigned to the project. "When I came to FMS, I had work experience of three years as a freelance architect. I now have experience of more than four years!" says Biswas.

The hands-on experience that students gain as part of MSA is surely one of the lasting legacies of the management programme. "We can take a decision on what my classroom should look like, what kind of conventions we should have," says Arora. "It is a big opportunity – others don't take the kind of decisions I do," he emphasises. These decisions can range from organising an Art of Living workshop to designing the admissions brochure to holding a convention or seminar.

Even non-executive members (first-year students who are joint secretaries) get to learn all about organisational details. "I am planning a media meet to explain our position on rankings," says Rajat Ranjan, joint secretary (press and publications). "There is a lot of responsibility and freedom of action involved."

That freedom is not absolute though. Singla says the role of MSA advisor is to make sure that the students don't make unreasonable (financial) demands on their parents. "We gently let them know what is permissible and what is not."

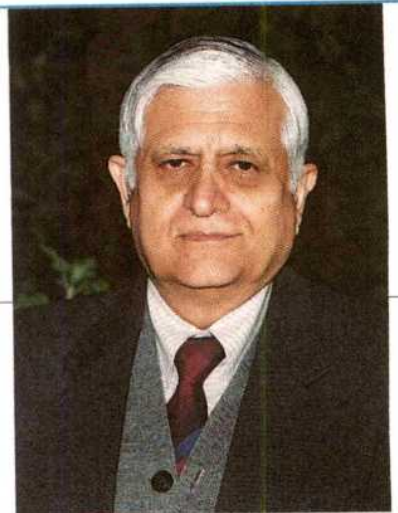
It's hard to imagine student life at FMS without the association. As Arora says: "MSA is not an association. It is a little-known unlisted cooperative that is growing at 2000% a minute." ■



(Extreme left top & bottom) **LEADERS IN ACTION** the executive body of MSA and Rohan Arora, general secretary; (above) Rohan Padhi, who was part of the team that networked the whole campus last year; (left) M.L. Singla, faculty advisor to MSA, is the interface between the student body and the faculty; and (below) Suvranjan Biswas and Sudershan Sengupta, FMS students whose training in architecture is coming in handy for giving the faculty building a facelift



"We Have a Market Centric Curriculum"



IIM-K is the fifth Indian Institute of Management. Established in 1996, it provides education, training, consulting and research facilities in management. An interview with director A.H. Kalro

Businessworld: How are you making your programme 'global'?

Kalro: We are seeking to internationalise our programme through the following means:

- Attracting international students, though currently we have very few and that too from the middle-east.
- Attracting faculty from educational institutions abroad who come and spend two to three months with us and teach in the postgraduate programme during that period.
- Collaborative research that faculty pursue with institutions abroad.
- Visiting research scholars who pursue their research with IIM-K as their base. We have had scholars from Sweden and applications from the US for this purpose.
- A large number of visitors from institutions abroad visit IIM-K and address our community about the global management challenges.

Businessworld: Quite a few IIM alumni go on to do second MBAs from foreign schools. Why do you believe this is happening? Is global accreditation of some kind important these days?

Kalro: Not many IIM alumni go abroad for a second MBA. However, some do acquire another MBA while pursuing their doctorate in American universities. Global accreditation is important for all schools desirous of attracting international students in a big way.

Businessworld: What gives your school an edge over others? What is the single most important thing a prospective student must know about your school?

Kalro: The school has established a reputation for itself and the programme by following a consistent and focused strategy. The four drivers of our strategy are reflected in all our academic programmes and activities. These are 1) Value-based leadership; 2) Technology-enhanced learning 3) Market-centric curriculum; and 4) An abiding commitment to society.

Businessworld: How important is approval/accreditation by the AICTE?

Kalro: IIMs do not require approval or accreditation by AICTE.

Businessworld: Is work experience becoming more important these days? How much weightage do you give to work experience in the admissions process?

Kalro: Work experience is given due weightage in our selection process. More than 80% of our students have more than one year of work experience. The average work experience last year was more than three years and this year a little over two years.

Businessworld: Your institute is relatively new and is located in an area where there are relatively fewer recruiters. Is that a major disadvantage?

Kalro: Being located in Kerala is not a disadvantage in the context of attracting students as well as recruiters from the entire country. This is because of the national character of IIM-K, the nature of our programme and the profile of students as well as their competencies.

Businessworld: There were fears that placements might be a problem at B-schools this year. Did your school try out any special initiatives to place students?

Kalro: Placements at IIM-K have been progressing smoothly thus far and we expect that we will be able to complete placements in accordance with our expectations. As we are a new institution we have had to necessarily create suitable linkages with industry and employers to facilitate placement, and we continue to do so.

Businessworld: What is the most important part of the admissions process in your school? What kind of candidates are you looking for?

Kalro: There are three important inputs in the selection of candidates who apply to IIM-K: 1) Performance in CAT; 2) Group discussion and interview; 3) Relevant prior work experience. ■



"We're Sure our Boys Will Find Good Jobs"

The Management Development Institute (MDI) was established in 1973 with IFCI's support. The guiding philosophy behind its activities is to inculcate professionalism in management. An interview with director Devi Singh

Businessworld: What is MDI's value-proposition? What kind of students do you want to attract?

Singh: We want to groom people who can create, manage and lead effective changes across diverse organisations.

Businessworld: Can MDI's programme be called truly 'global' in the sense that it prepares global managers? How does the programme compare with the best US B-schools?

Singh: The following things make our programme global: (a) International exposure through classroom content and process; (b) Our international students; (c) Our students studying and spending terms and obtaining double degree; (d) Our international faculty; (e) Placements in international organisations; (f) Participation from several countries in the international conferences hosted at MDI; (g) Participation in international workshops by MDI faculty; (h) Training programmes with participation from international executives; and (i) International research projects.

Businessworld: MDI has come up very fast in a short period of time. What do you attribute this to? How important was the role played by Pritam Singh, the former director of MDI?

Singh: We attribute this to hard work and dedicated team-effort; a focussed approach and fine-tuning our activities/programmes to the needs of our clients.

Pritam Singh did certainly contribute to the growth of MDI by pulling it up by the boot-strings when it was limping. We have just continued the momentum. Our focus has been to internationalise MDI programmes and activities, concentrate on research and strengthen our linkages with the industry.

Businessworld: Have there been any recent changes/new initiatives in the MDI programme that prospective students should know about?

Singh: Some of the new initiatives include:

- From manufacturing alone to coverage on the service sector
- Internationalisation of the curriculum

- Holistic view to education and character building through student initiatives

- Development of leadership potential

- Diverse faculty resource combining academe and industry.

Businessworld: What are the things every prospective student should look for in a business school to make sure the course is worth the time and investment?

Singh: Employable knowledge, skills and attitude; and overall development as a part of the education process, and lifelong memorable association.

Businessworld: Did the school try out any special initiatives to place students this year?

Singh: We have followed the industry in the normal way as in the past. We are quite confident that our boys will find good jobs.

Businessworld: What is the most important part of the admission process in your school?

Singh: It is a rigorous and comprehensive one for assessing a number of factors in the students and the selection is based on multiple methods.

Businessworld: Is work experience becoming more important these days? How much weightage do you give to work experience in the admission process?

Singh: Work experience is certainly gaining importance all over the world and this trend is picking up even in India. In our programme, we get about one-third of our class with work experience of one to two years. The number of students with work experience has been growing in our PGPM over the last few years.

Businessworld: How important is an AICTE accreditation?

Singh: It is important more from the students' point of view in deciding on the institute to apply to. As far as MDI is concerned, we set our own benchmarks and standards of performance over and above those prescribed by the AICTE. By the way, we were the first B-school to be accredited and awarded A-Grade by AICTE. ■

'Experiential Learning is our Unique Approach'

The Indian Institute of Management-Indore (IIM-I) is the latest addition to the IIM community. IIM-I has evolved a programme benchmarked against the best global schools. An interview with director Rajan Saxena

O IIM-I is located in an area where there aren't many recruiters. Is this a major disadvantage?

Saxena: We do have a physical locational disadvantage because there aren't too many recruiters in this region. This is true if you compare Indore with cities like Mumbai and Bangalore, which boast of a very large number of recruiters. But IIMs do not cater only to the local recruiters; in fact, our emphasis is on developing executives and managers for national and international firms operating in Indore and outside.

Given the high degree of modern-day connectivity, this disadvantage is meaningless. In fact, we have shown this through our successful placement programme in the last three years and also by the institute's continuous improvement in the recruiter's perception. Hence, we feel that the institute's credibility in the recruitment market is independent of its location.

Businessworld: A number of Indian management grads go on to do their second MBAs abroad. Why do they feel the need for a second MBA? Is global accreditation a must these days?

Saxena: But this number is very small. The purpose of doing a second MBA from any other well-known US or European B-school is to improve your chances in the global employment market. It is a known fact that a management degree from one of the top 20 American B-schools is a passport to international employment. Most of the corporates abroad seem to accept these degrees much more readily than the IIMs. The IIM diploma is only acceptable to corporates outside India who know about IIMs. This awareness about IIMs is increasing in the international employment market because our students have proved their capabilities and competence in all spheres, especially the services sector.

Global accreditation is certainly very important for in-

ternational placements as also for enabling the Indian students to go for PhD programmes in well-known universities abroad. Most south-east Asian B-schools, which have gained prominence in the 1990s, have acquired these accreditations.

Businessworld: What steps are you taking to make your programme 'global'?

Saxena: We want to attract foreign students to our PGP programmes within the next five years. We plan to do this by opening our doors to foreign students (not only NRIs) who have acceptable GMAT scores. We also plan to increase the number of international faculty members in our programmes. These two components will certainly make our programme global.

Also, we plan to increase the inputs in international business in our programme. Further, we are planning academic linkages with well-known B-schools for the purpose of faculty and student exchange and also for joint research and executive education programmes. I hope that these steps, which we plan to initiate from the current year, will make our programme global.

Businessworld: How does your school compare with other IIMs? What is the most important thing a prospective student must know about your school?

Saxena: Any student coming to us must know that our strength is the methodology we use in delivering the PGP programme. 'Experiential learning' is an integrated part of our teaching pedagogy. None of the other institutes has structured it the way we have. Typically, a student who joins our programme is assigned to a corporate organisation in the second term of the first year. He visits the organisation once a week and is expected to work as an unpaid employee in various departments. Generally, he works at the shop floor level.

A corporate mentor there helps the students relate their learning to work life in the organisation. There is also a

faculty member who helps them relate their organisational experience to the learning in the classroom. This is a credit-bearing programme and is evaluated jointly by the corporate and faculty mentor.

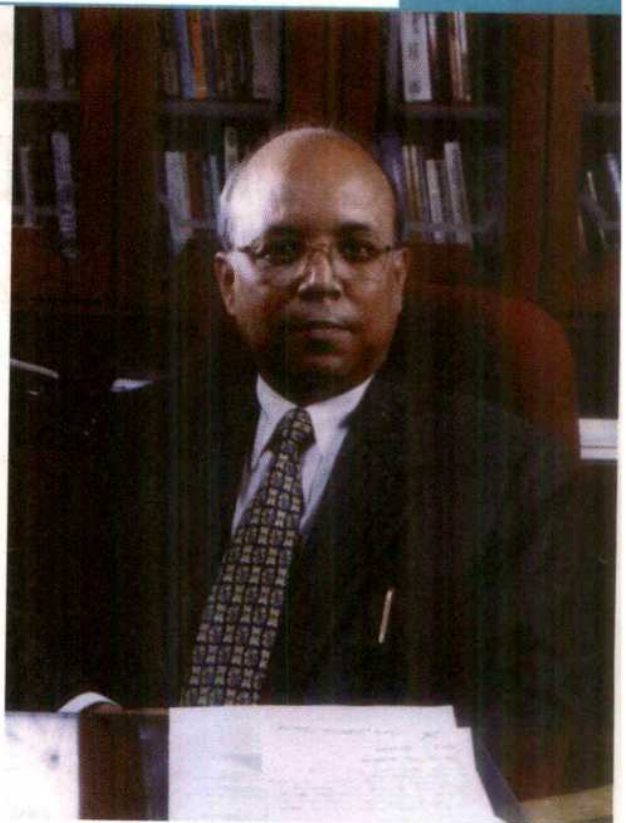
At the end of the first year, the students are expected to take up a project, which gives them a perspective of the organisation from the top down – right from the CEO's chamber to the lowest ranking employee. This experiential learning has definitely given our students an understanding of how organisations function.

Another important thing any prospective student must know about IIM-Indore is that each of the PGP students is expected to do a socially-relevant project as part of their programme. These projects are assigned to them by the District Administration, NGOs, or other social organisations. This gives them an opportunity to understand the social dynamics of India and hence make them a socially-relevant managers or business leaders.

Businessworld: How important is approval/accreditation by the AICTE?

Saxena: Accreditation by the AICTE will definitely help management schools. But the AICTE needs to play a much bigger role than what it is doing at the moment.

It should play a pivotal role in the development of man-



“Our credibility is independent of the location. IIM-I’s placements in the last three years prove that physical disadvantage is meaningless.”

agement education for which purpose, besides accreditation, it should encourage fair competition among the various schools as also the management education systems.

It must play a more active role in helping premier institutions like IIMs develop or expand the pool of quality management teachers in the country. This can be done through a more active support to the doctoral programmes and the various faculty development programmes that are planned and organised by the institutions.

Businessworld: What are the things every prospective student should look for in a business school to make sure that the course is worth the time and investment?

Saxena: I personally believe that the following factors truly make a B-school great from an aspiring student's point of view: 1) The number and quality of the faculty; 2) The quality of the library – the number of titles it has and the databases it subscribes to; 3) Corporate linkages the B-school has; and 4) Opportunity for learning in an international environment.

Businessworld: Did the school try out any special initiatives to place students this year?

Saxena: Nothing special, but IIM-Indore offers video-con-

ferencing facilities to all its overseas and national recruiters who cannot visit the institute during the placement period.

Businessworld: What is the most important part of the admission process in your school? What kind of candidates do you want to attract to the institute?

Saxena: Group discussion and interview are the most important part of the admission process in our institute. We look for candidates from all kinds of backgrounds. Candidates who have managerial/entrepreneurial aptitude. We want a class structure which is diverse and heterogeneous.

Businessworld: Is work experience essential these days? How much weightage do you give to work experience in the admission process?

Saxena: It varies from company to company from a placement perspective – while some prefer experienced candidates so that their previous experience can be made use of, others prefer fresh candidates so that they can be moulded in the desired direction.

Relatively, less weightage is given to work experience in comparison to other components of the selection process. Secondly, within work experience, weightages vary according to the number of years put in work after graduation. ■



Photographs: SANJIT KUNDU

SP Jain School of Soft Skills

NAVJIT GILL



YOU can immediately see that this is no ordinary interview. The people being interviewed outnumber the panel of interviewers six-to-five. That's not the only thing that strikes you as odd. There are two students among the interviewers. What's more, it's just 25 January – a good couple of weeks before the CAT result will be out. But the interviews are

already in full swing at Mumbai's SP Jain.

Businessworld sat in on one of the second-stage group interviews – the interview that normally signals the selection of the lucky few. But as we said, there is nothing normal about the selection this year. The final list will be announced only after the CAT results come.

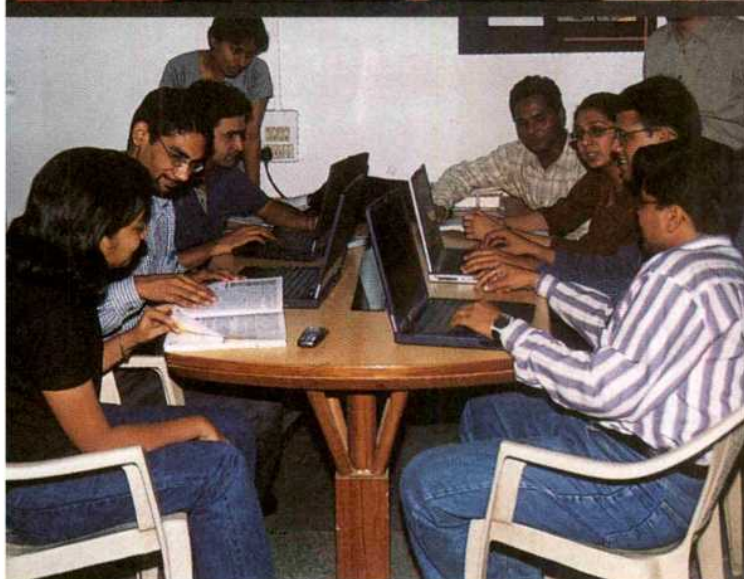
The interview draws to a close... when Brigadier Ratan Singh, one of the panelists who has been quietly profiling the applicants so far, asks one of them: "One of the traits you have ticked in the application form is 'value for values'. What do you understand by that?"

The candidates take the question one-by-one. Clearly they've all listed this trait as a strength. Smart. Because the admissions process at SP Jain is designed to select candi-

dates with soft skills and strong values. The CAT score gets a mere 33% weightage. "One of the basic premises here is that an above-average IQ is necessary, but it's not a sufficient condition," says S. Sriram, faculty coordinator (admissions). "We look for managerial traits and softer skills like integrity, ability to work in a team and communication skills."

Developing soft skills and learning to be humane managers is an inseparable part of the SP Jain experience – all the way from selection to graduation.

In a few weeks' time, some of the candidates we just met will get offers from the school. About a month after the new academic session starts, all the first-year students will take a four-day trip to Lonavala, a hill station off the Mumbai-Pune highway. "Our seniors told us that we would go as individuals



(Clockwise from extreme left) **FIRST FILTER** The selection process at SP Jain tries to identify candidates with soft skills; **TEAM SPIRIT** First year students at Lonavala. The trip is the annual ritual that helps new students bond; **PERSONAL MANAGEMENT** Narayan Subramanian says that the school's two-day 'Gita Shibir' at Ahmedabad is a very enriching experience; **GROUP WORK** It's always about teams

and come back as a group. They were right," says Geetika Vats, a first-year student.

The 'Personal Growth Lab' isn't merely for fun bonding. There is a serious purpose to it. The 2002 Lab was organised by a professional management development team 'Charioteers'. The pros made sure the 135-strong batch participated in a yoga session, a trek to a spot 3,400 feet above sea level, rock-climbing and games that tested and honed their team skills.

Once they are back at SP Jain, students easily settle into the B-school's group culture. "We have already gauged the strengths of our batchmates. Forming effective teams after that is a cinch," says first-year student Deepak K. Nayak.

THERE is much to look forward to at SP Jain during the rest of the year. This is a school that believes in constant change. From the continual construction activity to the new admissions format, there is a 24/7 buzz on the campus.

"It was the sheer quality of leadership and the desire to

make things happen that attracted me to this institute. There is an urgency to change at SP Jain," says Malin Gupta, a new addition to the faculty at SP Jain. Her last job was in the supply chain management line of business at Accenture. Gupta is working on developing a new services track – a super-specialisation – for the BPO sector. (The track will probably have one credit for soft skills in the services sector.)

The students get a taste of change nearly every day. 'Senate Meetings' are held two-three times every trimester where the faculty and students take up all kinds of suggestions. "Often, a commitment is made there and then by the dean," says Mukul Suri, a first-year student. "Last year there was a suggestion that tests are not serving their purpose. From December 2002, we have done away with most announced tests."

SP Jain, under the leadership of honorary dean M. L. Shrikant, disaffiliated from Mumbai University in 1993. Since then it has pursued its agenda of schooling managers who can influence management practice in the real world -

"Our whole selection process looks at lots of soft issues."

HONORARY DEAN M.L. SHRIKANT

by using the power of collaboration.

"I have been visiting SP Jain for the last 8-10 years. I think they are well-exposed to practical business-related inputs," says Vasant Sanzgiri, senior VP-HR at Prudential ICICI AMC. He lists SP Jain as one of his preferred recruitment grounds. "As far as soft skills go, we only take in people who are strong in team work and soft skills."

THE curriculum at SP Jain actively encourages the development of soft skills. Every first-year student at this B-school has to choose three managerial traits she wants to develop, and join an appropriate student committee as part of the Assessment and Development of Managerial Potential (ADMAP) programme (it carries three credits). "At ADMAP, the focus is on their ability to work in a team and on developing their strengths for performing managerial tasks," says Mythili Venkateshwaran, who runs the programme at SP Jain.

"Group activities like case discussions and ADMAP give an opportunity to interact with people of varied skills and temperament. The simulated (workplace) environment provides scope for building team skills," says Rajaraman S., a second-year student.

By joining committees on placements, infrastructure and so on, students get hands-on experience of running the school. Says Venkateshwaran: "The feedback we receive from companies is that our students are great team players and adapt

very easily. The credit for that goes to ADMAP."

And in equal measure to SP Jain's unique development of corporate citizenship (DOCC) programme. At a time when students at most good B-schools are doing their summers with choice corporates, SP Jain students put in two strenuous but rewarding months in socially-relevant projects.

Paresh Nagar and Manit Mittal worked with the Ladakh Ecological Development Group, Leh, on a socio-economic restructuring programme for Ladakh. "Working with the under-privileged has opened my eyes to a whole new perspective on life," says Nagar. This is the kind of sensitivity Nagar and his batchmates will carry over to their jobs when they graduate.

The soft-skill focus is there in all activities, big and small. Once a year, the school organises the 'Gita Shibir', a two-day camp on personal management at Ahmedabad. "I have been there twice and it is a highly enriching experience – both emotionally and spiritually," says Narayan Subramanian, a second year student.

The school is so confident about its selection process

that this year it will try out its boldest experiment so far. "We are going to take in people with great managerial potential, but who definitely would not get in if you go strictly by academic credentials," says Sriram.

SP Jain has a completely merit-based selection. And it knows that in the final analysis, merit is measured solely by managerial potential. No more, no less. ■



P. NAGAR is glad he did his summers with an NGO

"Our Faculty has Global Exposure"

XIM-B has always focussed on quality and rigorous education, academic infrastructure, technology and innovation. It is also one of the most wired campuses in the country. An interview with director E. Abraham



Businessworld: What is the value proposition of XIM-B? What are the kind of students you want to attract?

Abraham: Our value proposition is an environment that breeds talent, competitive spirit and sensibility to fellow beings. We welcome students who want to be leaders, innovative, wealth creators and socially conscious.

Businessworld: Can XIM-B's programme be called truly 'global' in the sense that it prepares students for the role of global managers? How does the programme compare with the best US B-schools?

Abraham: Yes, our curriculum is global and the faculty has international exposure. Our alumni are working in all parts of the world. We follow the US B-school curriculum model and strive to be as good as the best B-schools.

Businessworld: Have there been any recent changes in the XIM-B programme that prospective students should know about? Do you feel a need to change the curriculum more often now that the business environment is more volatile?

Abraham: The curriculum is constantly revised and alumni feedback is seriously considered. We also have industry-sponsored courses.

Businessworld: What are the three or four things every

prospective student should look for in a business school to make sure that the course is worth the time and investment?

Abraham: Quality faculty; sound infrastructure; position of alumni; and rigour of education.

Businessworld: Did the school's location prove a disadvantage?

Abraham: No. By making use of technology, we now have as much access to resources as any other metropolis.

Businessworld: What is the most important part of the admissions process in your school?

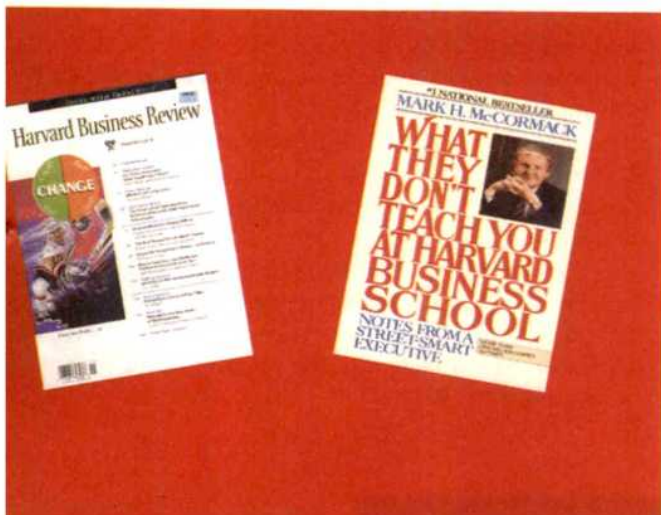
Abraham: Personal interview and group interaction.

Businessworld: Is work experience becoming more important these days? How much weightage do you give to work experience in the admissions process?

Abraham: Yes, concepts are understood better with work experience but lateral placement is difficult.

Businessworld: What should a student do to get the most out of a business school? What are the opportunities available on campus?

Abraham: (A student should) learn concepts, develop (his) personality, networking ability and (acquire a sense of) social responsibility. ■



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"International Business is Our Only Focus"

The Indian Institute of Foreign Trade (IIFT) was set up in 1963 by the Government of India. The objective was to help professionalise the country's foreign trade management. An interview with dean B. Bhattacharya



Businessworld: What is the value-proposition of IIFT? What kind of students do you want to attract?

Bhattacharya: IIFT prepares its students as international managers, irrespective of whether they are located in India and working for domestic firms or posted abroad with foreign firms. We are looking for students who are interested in a career in global business management.

Businessworld: Considering that every business school today wants to provide a 'global' programme, do you think IIFT stands to lose its relevance among the student community? Or, does IIFT actually have an advantage over others in terms of its focus?

Bhattacharya: We are not concerned with the fact that other schools are also introducing certain elements of international business in their curricula. This is good because this is what is required. However, such innovations will not make these programmes global. Our programmes do focus on international business – in fact, this is the only focus. This singularity is our strength which will continue to be there.

Businessworld: How different is the IIFT programme from the one offered by, say, the IIMs? Are IIFTians better-equipped than other MBAs in any way?

Bhattacharya: IIMs offer a general MBA programme. IIFT offers an MBA (International Business) programme. The distinction is quite clear. Our students go through the normal management courses in the first year and in the second they specialise in IB. It is, therefore, obvious that IIFTians have better skills-set to handle international assignments.

Businessworld: Have there been any recent changes in the IIFT programme that prospective students should know about?

Bhattacharya: Our MBA (IB) programme is reviewed annually to make it attractive to the corporate sector. We are actively soliciting feedback from companies which come for campus recruitments on the kind of electives that should be offered from this year, keeping in mind their institutional needs.

Businessworld: How important is approval/accreditation by the AICTE?

Bhattacharya: It is important because an AICTE accreditation is both mandatory and also a mark of your quality. It may be noted that IIFT not only has AICTE accreditation, it also became a deemed university last year which authorises us to award degrees, including doctoral degrees.

Businessworld: What, in your opinion, are the things every prospective student must look for in a business school to ensure that the course is worth the time and investment?

Bhattacharya: They should be very clear about their career aspirations – if they want a career in marketing, finance, or international business, they should go through the curricula and find out whether the school provides enough scope for specialisation. Find out as much you can about the institute from the alumni or from students. Infrastructural facilities, including residential accommodation, is another important factor. Finally, the institute's record of the last two years with regard to campus interviews will indicate the type of jobs a candidate can expect at the end of his course.

Businessworld: Did the school try out any special initiatives to place students this year?

Bhattacharya: In the institute, campus interviews are an ongoing process with active involvement of students and the faculty. The institute has a full-time placement advisor to look after this activity.

Businessworld: What is the most important part of the admission process in your school?

Bhattacharya: Students are admitted to the institute on the basis of their performance in the written test (which is also the principal instrument for elimination), group discussions and personal interviews.

Businessworld: How much weightage do you give to work experience in the admission process?

Bhattacharya: Work experience is not mandatory at IIFT. However, we do recognise the importance of relevant work experience. ■

भारतीय वागान पवन्ध संस्थान, वंगलूर
INDIAN INSTITUTE OF PLANTATION MANAGEMENT
BANGALORE

"Why should not education go from door to door, say I. If a ploughman's boy can't come to education, why not meet him at the plough, at the factory, just wherever he is? Go along with him, like his shadow"

- Swami Vivekananda

THE INSTITUTE: Indian Institute of Plantation Management (IIPM) was established at the initiative of Ministry of Commerce, Government of India. It is co-promoted by Commodity Boards viz. Tea Board, Coffee Board, Spices Board & Rubber Board and Plantation Associations viz. Indian Tea Association and UPASI

FOUNDATIONAL PRINCIPLES

Five foundational principles that guide our activities are as follows:

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- 2) To facilitate creation of Enlightened Leadership
- 3) Continuing Development of the "BEST" Managers
- 4) Action Based Research
- 5) Intellectual Self-Reliance & Enhancement of Intellectual Capital

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- 2) Master in Business Administration (MBA) - 2 years

LEARNING METHODS: THE 3D APPROACH

Institute's teaching methodology uses a variety of approaches to learning. In addition to the case method and cyber learning, Institute uses the 3-D approach of Discussion, Dialogue and Discourse. Institute also uses the concept of 'grounded praxis' to sensitize students to the local conditions and social issues. In essence, it uses a "multi-methods approach" to learning facilitating its 3D model of learning. Institute provides world-class academic ambience for learning.

KNOWLEDGE RESOURCE CENTRE

"Knowledge is the Window" as our motto says, and so we call our facilities the "Knowledge Resource Centre", comprising the Library, the Computer Centre and the Technical Laboratory.

CAMPUS

The Institute is strategically located in Bangalore, the IT capital and the fast emerging as the educational capital as well. Our lush green campus on a rolling hillock has well-equipped infrastructure, including residential facilities for the students. The campus with its brick and stone façade, the rolling lawns with rocks sculpted by nature strewn around, make it an ideal place to nurture visions and dreams and inspire students.

PLACEMENT

Institute provides placement advisory and placement assistance services through its placement cell. Institute's graduates have been placed in many leading corporates as well as development organizations.

For more information write to:

Director

Indian Institute of Plantation Management

Jnana Bharathi Campus, P.O. Malathalli

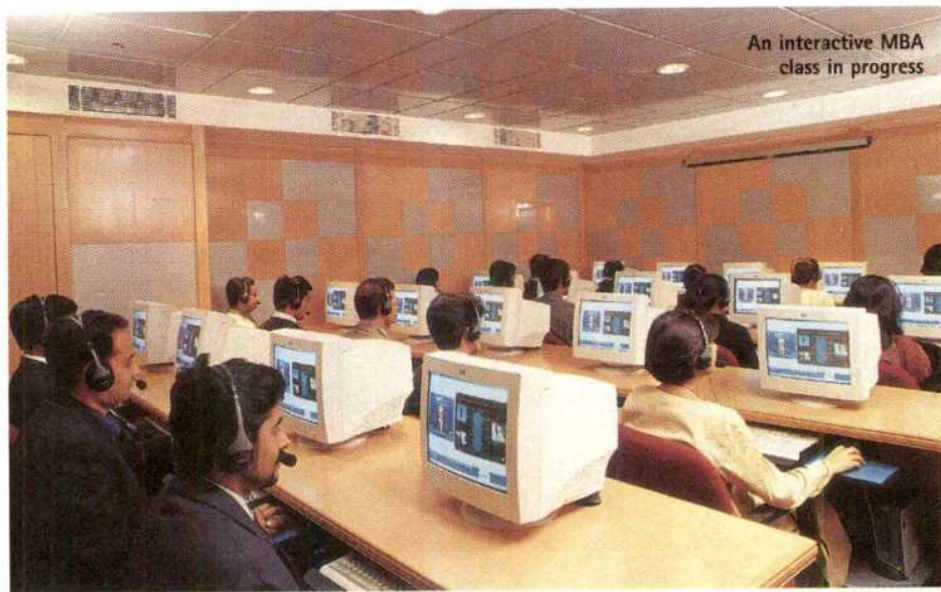
Bangalore 560 056

Phone: (080) 3211716; Fax: (080) 3212775

E-mail: info@iipmb.com; Visit us at: www.iipmb.com

The Portable Management Course

NEELIMA MAHAJAN



If you cannot go in for a full-time MBA, these distance-learning courses might just be the thing for you

HAVE at least two years' work experience? Check. Need formal training in management? Check. Don't want to risk leaving your current job? Check. Well, the distance-learning programmes may just be the thing for you.

If the term 'distance learning' conjures up images of correspondence courses and long, dreary hours spent studying alone, think again. Today distance-learning courses have come to mean much more. You can choose between the gold standard (interactive course, where the lessons are delivered in real time using video-conferencing), the silver standard (online course) and the traditional bronze standard (ordinary correspondence course).

A few A-grade schools like XLRI and IIM-K have recently started offering the gold standard in India. One can even bag a diploma from a foreign university without ever leaving Indian shores. La Trobe University (Australia), University of Durham (UK) and Phoenix University (US) conduct online MBAs in India. Like the full-time MBA, most of these courses require students to work on projects and take quizzes every now and then. In fact, interactive MBA

students have to attend classes twice a week.

THE WORKING EXECUTIVE'S MBA

If Manmeet Aneja had gone through the checklist at the top, he would have put a tick mark against all three parameters. Last year, Aneja, who is working as an executive (purchase) with Nestle India, realised it was time to reskill. Going in for a full-time MBA course wasn't the best option as he did not want to leave his job and shift to another city. So he did the next best thing – Aneja registered for IIM-K's post-graduate certificate programme in management. "On a scale of 1-10, this course rates 8.0," he says.

It is easy to see why some professionals plump for distance-learning. "Responsibilities at work would not permit me to leave and attend a full-time MBA," says Anand Karat, manager (services), Microtex Batteries, who has enrolled in the interactive course of Western International University, Arizona. The main advantage is flexibility: you can work and study at the same time. Karat says he can "travel and still attend classes from any metro".

According to P.D. Thomas, director of XLRI: "It (the post-graduate certificate in business management distance-learning course) is only meant for working executives. A

THE DISTANCE LEARNING OPTIONS

University/Institute	Course	Duration	Eligibility	Cost
Xavier Labour Relations Institute	Post-graduate certificate in business management (PGCBM)	14 months	Working with minimum 2 years experience. Entrance Test	Rs 1,50,000
Indian Institute of Management-Kozhikode	Post-graduate certificate program in management (PGCPM)	12 months	Minimum 50% marks in graduation. Working with minimum 1 year experience. Entrance Test	Rs 1,25,000
Manipal Academy of Higher Education	Executive MBA programme	12 months	1 year work experience. Entrance Test	Rs 53,000
Western International University	MBA	18 months	16 years of education. TOEFL/IELTS Working with minimum 2 years experience, GMAT, Entrance test	Rs 2,12,000
Symbiosis Centre for Distance Learning	Post-graduate diploma in business administration Post-graduate diploma in international trade Post-graduate diploma in personnel management and industrial relations	2 years	Graduation	Rs 10,000-15,000
University of Durham, UK	MA in management	2 years	Minimum 50% marks in graduation	Rs 2,00,000 approx.
La Trobe University, Australia	MBA	You get 10 years to complete it	Graduation, minimum 2 years working experience, TOEFL/IELTS	Rs 1,60,000

minimum of two years of experience is required for admission to the course."

A.H. Kalro, director of IIM-K, says the B-school's distance-learning programme has been specifically designed for individuals who have some understanding and experience of corporate management. At IIM-K, significant weightage is given to work experience, which is clubbed with test scores in order to arrive at the consolidated score.

Naturally, the entrance tests are also designed to select people who have some understanding of business. Getting admission to a distance-learning course is no cakewalk. The Indian interactive MBA courses have an entrance exam, which is roughly modelled on the lines of CAT. But "unlike CAT, this exam may also include questions that test a person's knowledge of the business environment which he should have gained through his work experience," says Saji Gopinath, chairman, Interactive Distance Learning Centre, IIM-K.

To gain right of entry to the Western International University course, one has to take the TOEFL, and then submit transcripts and certificates (bachelors degree certificate, marksheets, work experience certificate, and the IELTS certificate, if the candidate has not studied in English medium). At La Trobe University, the applications are scrutinised by a panel of experts, which takes the final decision.

THE PAY-OFF

Increased know-how is certainly a plus. There is also the possibility of advancement in your company and improved career prospects once you finish the course. "For the most part, it doesn't matter what kind of degree you have provided you have the necessary competencies for a job," says Adil Malia, director (human resources), Coca-Cola India.

He feels that distance-learning MBA programmes have their uses. "There are always some employees who have

high potential, but have not gone through a formal programme. I have two options – either I develop my own programme or I outsource it to a management institute."

THE FLIPSIDE

If you think that a distance-learning course is dirt cheap, sorry, we'll have to disappoint you. IIM-K charges Rs 1,25,000 as course fees for its 12-month course. XLRI offers a 14-month course for Rs 1,50,000 and Western International University's 18-month course comes at Rs 2,12,000. The University of Durham's online MA in Management costs £3,000 (approximately Rs 2 lakh). Distance-learning correspondence programmes from Symbiosis come cheaper at Rs 10,000-15,000.

A full-time MBA course has its own advantages. Arup Bhattacharya, who has enrolled in IIM-K's programme, insists that the course has a regular classroom environment. But it is impossible to clone a campus environment in distance-learning courses.

Perhaps the biggest downside of distance learning is the absence of campus placements. If you plan to hop jobs after finishing the course, be prepared to do your own job search. Hughes Escorts Communication (HECL), the infrastructure provider for XLRI, IIM-K, Western International University and the Manipal Academy of Higher Education's (MAHE) interactive MBA courses, is trying to get around this problem. It has tied up with JobsAhead, which will hold career-counselling sessions with the students and inform them of job opportunities. It will also guarantee three interviews.

We'll let Aneja have the last word here: "The distance-learning MBA isn't designed as a full-time programme. It is more about enhancing the management skills of working executives." ■

Scholarships and Financial Aid

Don't let lack of funds come in the way of your education. Check this out

IIM Ahmedabad

IIM-A has a need-based scholarship scheme for economically-weaker students. Under this scheme, many students are given scholarships every year. The scholarship amounts are fixed on the basis of the annual gross family income, parental asset ownership, number of dependents etc.

Merit-cum-means scholarships of the government of India (Rs 2,200 a year) are available to a maximum of 25% students. Several industry-sponsored merit scholarships worth up to Rs 50,000 annually are awarded at the end of each academic year. In addition, there are industry-sponsored need-based scholarships worth Rs 5,000 to Rs 10,000 per year per scholarship.

IIM Bangalore

Financial support to needy students is provided in the form of tuition waivers and/or maintenance allowance for one or more terms. The financial aid committee considers applications for financial support on a case-by-case basis. Students belonging to SC/ST are given special consideration for financial support.

Some second-year students are selected by instructors to provide tutorial assistance to first-year students in selected subjects. They are paid an honourarium for their services.

In addition, a limited number of merit-based awards are available from some corporate sponsors to partially/fully support students' expenses. Awards are currently available from Citibank, Nestle India Ltd., The Ratan Tata Trust and the Aditya Birla Group. A merit-cum-means scholarship from Bharti Enterprises is also available.

IIM Calcutta

IIM-C has budgetary provision for substantial need-based scholarships/loans for economically weaker sections. It is the school's stated policy not to turn away anyone selected for the programmes because of inability to pay tuition fees. The school arranges scholarships that will fully or partially cover tuition expenses for meritorious students.

PGDM students can apply for two Aditya Birla Merit Scholarships that cover the full tuition fee. GE also offers two scholarships that cover full tuition for PGDM and

PGDCM programmes.

In addition, Nestle offers a scholarship worth Rs 75,000.

IIM Indore

IIM-I tries to ensure that no participant is denied an opportunity to pursue the Post-Graduate Programme in Management for want of adequate financial resources. Those who cannot afford the fees on their own are provided assistance in raising loans from institutional financing agencies.

Merit-based scholarships covering up to 100% of the programme expenses are available at the end of the first year.

IIM Kozhikode

The school assists students interested in acquiring educational loans from financial institutions subject to their meeting the stipulated conditions. At the moment, the GE Fund and Hughes Escorts Communications Limited sponsor two full scholarships.

IIM Lucknow

The objective of the financial assistance scheme at this school is also to provide adequate financial aid to selected students, so that no student is prevented from pursuing the programme because of financial constraints. The scheme has five components.

Merit-cum-means scholarship: The government of India merit-cum-means scholarships of Rs 2,200 per year are available to a maximum of 25% students subject to their satisfying the stipulated criteria.

Industry-sponsored scholarships: Several industry-sponsored scholarships are avail-

able which are awarded on the basis of academic performance at the school. The value of scholarship amounts range from approximately Rs 6,000 to Rs 1 lakh per year.

SC/ST scholarships: The government of India SC/ST scholarships are available to SC/ST students. The scholarship amount is Rs 1,500 per year. Deserving candidates are also eligible for scholarships from their respective state governments, covering the non-refundable component of the fees and maintenance charges depending on the family income.

IIM-L scholarships: Up to 15% students in each batch are offered these scholarships. Any student whose total family income does not exceed Rs 1.5 lakh is eligible.

Students belonging to the reserved category are also eligible for this scholarship. The amount of each scholarship is equal to one year tuition fee. The scholarship is for one academic year.

Loan schemes: The school has made arrangements with banks, financial institutions and charitable organisations to provide loans to all needy students to finance their educational expenses.

FMS, Delhi

A number of institutional scholarships are available to students. The Sanwa Bank Foundation awards a total of 10 scholarships: five each to the students of first year and second year. The scholarship amount given to each student is the rupee-equivalent of \$500.

Nestle India has also instituted two scholarships worth Rs 1,00,000 and Rs 75,000/- per annum for the second-year fulltime MBA students. GE offers a scholarship of Rs 1,00,000 per annum to the first-year MBA students.

MDI, Gurgaon

There are five merit scholarships of Rs 10,000 each available for the top five students at the end of the first year.

XLRI, Jamshedpur

There are a number of scholarships available for PM&IR (Personnel Management and Industrial Relations) and BMD (Business Management Day). Here's a partial list:

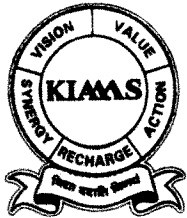
- Jubilee: For PM&IR, 1 scholarship for Rs 50,000
- Reckitt Benckiser: PM&IR; 1 scholarship, Rs 25,000
- Jubilee: BM1; 1 scholarship, Rs 50,000
- Nestle - PM&IR 2, BM 2; 1 scholarship - Rs 1 lakh
- Geeta Saxena Memorial; PM&IR 2, BM 2; 1 scholarship - Rs 20,000. ■

The information has been sourced from the admission brochures (2003-04) of the schools

DON'T BEG - BORROW

Bank loans can come to the rescue when scholarships are scarce. Many banks - nationalised and private - offer educational loans. Pointers:

- Maximum loan amount for Indian studies is Rs 7.5 lakh
- Interest rates are lower for amounts up to Rs 4 lakh and go up for loans of Rs 4-lakh-plus
- SBI offers the lowest rate - 11.1%
- Some loans of Rs 4-lakh-plus require security (LIC policy, third-party guarantee) of equal amount



Kirloskar Institute of Advanced Management Studies, Yantrapur, Harihar- 577 602

Ph. No.: (08192) 241486,241483,241269, Fax: 241270

www.kiams-hrr.org



Kirloskar Institute of Advanced Management Studies (KIAMS) is an autonomous institution backed by Kirloskar Group of Companies. It is located 280 kms. north of Bangalore and on the bank of the River Tungabhadra. The picturesque location of the institute amidst green and serene surroundings provides ideal environment for learning and growth.

The Institute

- ❖ Progressive B-school in Southern India
- ❖ Established in the year 1991 as a premier industry-training center.
- ❖ Forayed into PGDM program in 1998
- ❖ Offers two years fully residential PGDM Programme-Selection is based on CAT scores

Infrastructure

- ❖ Modern and updated academic facilities with audio-visual aids.
- ❖ Recreation facilities including swimming pool, tennis court and others.
- ❖ Well-equipped library.
- ❖ Computer lab with V-sat connectivity round the clock.

- ❖ Unique Pedagogy in terms of Industry Mentorship, Faculty Mentorship, Industry Integration and Capstone exercise.
- ❖ High student - faculty ratio of 8:1
- ❖ Faculty drawn from various disciplines of management with industry experience
- ❖ Trained over 5000 managers till date through variety of MDP programs.
- ❖ Curriculum is in accordance with the industry standards and expectations.
- ❖ Visiting faculties and guest speakers from premier organizations.

KIAMS thanks its alumni and recruiters for the year 2003: Mind Tree Consulting, People One Consulting, GE Capital, Bajaj Allianz, ICICI Prudential, Mafoi Consulting, TVS Motors, Trent Ltd., KOEL, West Coast Paper Mills and many more.

We invite academia and industry executives to join us in the journey towards academic excellence.

KIAMS is an independent autonomous body and is not affiliated to any university & is not regulated by the AICTE Act or any other State Act.



Institute of Management Technology, Ghaziabad

Grooming Leaders who are "Value Drivers" in all walks of life

Our Mission

To promote excellence in management and technology education. IMT prepares students to be leaders who shape the future, aspires to communicate our intellectual capital world-wide and creates and disseminates knowledge. Towards this end, IMT provides a conducive and rewarding environment for faculty and students to ignite and sustain a passion for excellence.



Learning is a Culture

- Learning enriched by experienced faculty, comprising of renowned academicians and industry experts
- An innovative pedagogy with focus on intellectual and emotional growth of student managers
- Integrated learning in management and technology to build techno-managers
- Learning goes beyond the class room as all the hostel rooms are provided with networking facility
- Fully automated, well stocked Library with access to hundreds of management journals through e-support
- Information technology lab, equipped with state of the art IBM machines and Microsoft software packages
- Institution membership of DELNET, INTERNET, American Center Library, British Council Library, CII, TERI, BIS, Association of Indian Management Schools
- Enhanced learning through availability of software packages like EBSCO (a full text database of over 3000 leading management journals), Prowess, Reuter's Business Watch, Capitaline, SPSS, MS Project

Consistently ranked among the top B-schools of India, IMT is a center of management excellence for more than two decades. IMT provides a learning environment unparalleled in terms of academic ambience backed with state-of-the-art educational infrastructure. IMT has a fully networked campus with a growing body of knowledge cultivated by a strong team of forty faculty and leading industry experts. The best B-schools survey published in outlook (Sept.9, 2002) ranks IMT 8th in intellectual capital and in technology connectivity. Here the curriculum reflects views of the globally acclaimed professors.

Grow Intellectually with IMT

- Offers 19 programmes in management and technology in various modes of learning (full time, part-time, eLearning, distance learning)
- **Ranked 8th** in terms of intellectual strength among premier business schools
- **Ranked in top ten** on infrastructure and facility support
- Offers Fellow Programme in Management (FPM), equivalent to Ph.D. in management
- **Global MBA Programme** in collaboration with **Fairleigh Dickinson University, New Jersey, USA**
- Global exposure for executive MBA programme students through **International seminars in Singapore, Bangkok, Kuala Lumpur, Manila** as a part of 21 days overseas academic component
- **eMBA**, an innovative management programme offered in **eLearning mode backed by world class LMS.**
- A Nodal center for Environmental Management studies declared by Ministry of Forest, Govt. of India
- **100 % placement record** for all full time residential programmes with consistent growth in average salary
- Regular recruiters include the best employers of country
- One of the largest students base (around 6000 students)

For details logon www.imt.edu

The Spectrum of Programmes

Full-Time Programme

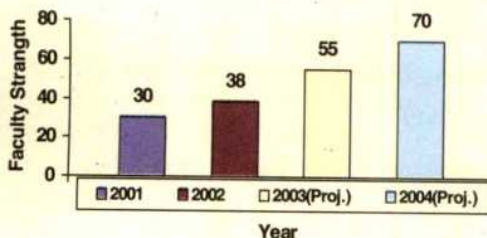
- Two Year Residential Post Graduate Diploma in Business Management (PGDBM)
- Three Year Residential Post Graduate Diploma in Computer Application (PGDCA)
- Two Year Residential Post Graduate Diploma in Industrial Relations & Personnel Management (PGDIRPM)
- Fifteen Month Residential Post Graduate Diploma in Executive Management equivalent to Executive MBA (PGDEM)
- Post Graduate Degree programme in Bioinformatics
- Eighteen Month Residential Joint Global MBA of IMT Ghaziabad and FDU, New Jersey, USA

Fellow Programme in Management (FPM), Equivalent to Ph.D. in Management

MBA in eLearning Mode

- Two Year Post-Graduate Programme in Business Management (eMBA)

Faculty Growth



Admission 2003

Admission 2003 witnessed an overwhelming response from aspiring candidates from across India. Around 12000 candidates appeared for written test held in December, 2002

Part-Time Programme

- Three Year Post-Graduate Diploma in Business Management (PGDBM - Part Time)

Distance Learning Programme (University Approved)

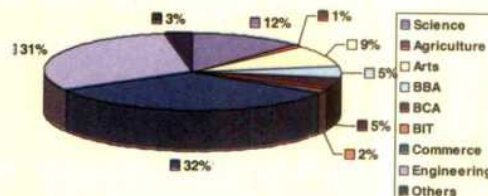
- Three Year Post-Graduate Diploma in Business Management (PGDBM)
- Two Year Post-Graduate Diploma in Human Resource Management (PGDHRM)
- Two Year Post-Graduate Diploma in Supply Chain Management (PGDSCM)
- Two Year Post-Graduate Diploma in Marketing Management (PGDMM)
- One Year Specialized Diploma in:
 - Business Administration
 - Financial Management
 - Materials Management
 - Personnel Management
 - Marketing Management
 - Export Management

* 36 no study centres of DLP spread across the country

Looking Ahead

- Second campus in Kolkata with Under graduate and Post Graduate Courses in Management and Engineering
- Projected Faculty strength in March 2004: 70
- Degree programmes in association with foreign University in areas of:
 - Information & Telecommunication Management
 - Bio Informatics

Admissions 2003: Academic background of applicants



Partial List of Recruiters

PGDBM-2002

Bharti
Birla Mgt. Corp.
Career Launcher
Dabur
GE Capital
GE Countrywide
GE SBI
HCL Cornet
Henkel SPIC
HLL
ICICI PFS
ICICI Prudential
IFCI
IFFCO Tokyo
ITC
Lintas
Maruti
Om Kotak
Pepsi
Philips
Polaris
Power Finance Corp.
Reliance Telecom
Samsung
Satyam Infoway
Standard Chartered Bank
Tata Teleservices
TCS
TELCO
Whirlpool

Partial List of Recruiters

PGDEM-2002

BSES
Balsara
Bhushan Steel & Strips Ltd.
CALCOM
Contract Advertising
Delphi Automotive Systems
HCL Info System Ltd.
Heraeus Kulzer
Hero Honda
Ingersoll-Rand
Kanoria Chemical Ltd.
Pidilite
Reliance Industries Ltd.,
Shantha Marine Biotechnologies
Winsoft

Partial List of Recruiters

PGDCA-2002

Adobe
AEM
ANZ IT
Bluestar
Future Soft
Grape City
GE
HCL Perot Systems
Nagarro
HCL Tech
Integix
Netage
Path Infotech
PCS
Polaris
R Systems
SAR Softtek
Shyam Telecom
Soft Brain
SMX Tech
Stingray
ST Microelectronics
TCS
Techspan
Tulip
Wood Apple

Admission is open for 18 months IMT-FDU Joint Global MBA Programme with paid internship in USA

Institute of Management Technology - Raj Nagar, Hapur Road, Ghaziabad 201001



Global Partnership



The **18-month full time residential Joint Global MBA** programme of Institute of Management Technology, Ghaziabad and Fairleigh Dickinson University (FDU, **AACSB accredited**), the largest private university in the state of New Jersey, U.S.A. is designed to generate business managers with global perspective.

Objectives

- Prepare students to lead organizations in a Knowledge Economy fueled by technology and globalization
- Help students to develop a global business perspective
- Create an ability to work effectively on international business issues
- Develop an understanding of business and multicultural environment
- Address global systems thinking and its application to formulating global business strategy



Highlights of Programme

I Leg	II Leg	III Leg	IV Leg
Five months at IMT	Five months at FDU, USA	Six month paid internship in USA, arranged by FDU	Two months course at IMT on return from USA

On successful completion of all the components of the programme, students will be awarded **MBA degree of FDU and Post-graduate Diploma of IMT**.

Eligibility & Selection Process

- Applicants must have a minimum of 4 years of college beyond the 12 years of high school and have graduated from college in First class/ Division
- Applicants must have a minimum GMAT score of 500
- Applicants must have a minimum TOEFL score of 213 (computer based) or 550 (paper based)
- Applicants must interview favourably with FDU and IMT committee

Last date for submission of completed application form : 31st March, 2003

Two-Year Post Graduate Diploma in e-Learning Mode

(On-line MBA Programme, beginning June, 2003)

Programme Highlights

- The First full fledged MBA degree programme offered by any top management institute in India
- Programme duration is 2 years which is at par with a full time MBA
- Admission/registration is open **round-the-year**. Students can enroll at any time during a year
- Admission to one semester is valid for 18 months and students can complete programme within a maximum period of 6 years
- A course curriculum designed to meet the contemporary business requirements
- One of the most cost effective on-line MBA programme in India (Rs 60,000/- Academic Fee)
- Nationwide support to students through IMT's authorized study centers (around 1200 centres across India)
- Backed by interactive course material in WBT and CBT, prepared by experienced IMT faculty



Eligibility: A bachelor's degree in any discipline from a recognised university/ institute

For details logon www.imt.edu

IMT: Continuous Search for Excellence

Fellow Programme in Management (FPM), Equivalent to Ph.D. in Management

Fellow Programme in Management is the highest degree offered by IMT. The objective of the programme is to provide high quality training to students so that they become distinguished, pioneering and innovative teachers, trainers, consultants and researchers in the field of Management and Technology.

Full-time FPM students get a research fellowship of Rs. 10,000/- per month.

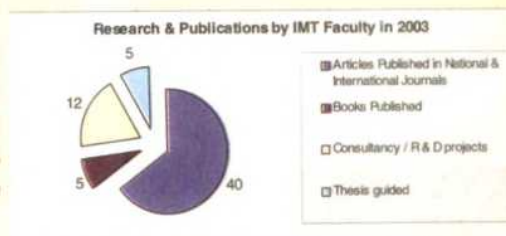
Areas of specialisation offered

- Business policy and Strategic Management
- Economics
- Finance and Accounting
- Communication and Information Management
- Marketing and Business Opportunity
- Human Resource Development
- Environmental Management
- Public System Management
- International Management
- Operations Management

IMT invites industry participation for collaborative research in any of the above areas.

Research and Publication

IMT invites articles from researchers, academicians and practitioners for publication in 'Paradigm', the refereed management journal of IMT. 'Paradigm' aims at promoting constructive research in the area of contemporary business issues and provides a platform for sharing the views among the academic and corporate fraternity.



Post Graduate Programme in Bioinformatics

The newly launched programme aims at creating a new breed of biotechnologist to meet the emerging industry needs. It equips biologists and computer scientists to stay competitive in the dynamic field of bioinformatics.

The programme in bioinformatics shall comprise of four semesters spread over two academic years. The curriculum is designed in two folds:

- Introduction of basic concepts in computer science and scientific programming
- Development of practical ability in computational biology

Eligibility: A recognised bachelor's degree in Engineering/ Pharmacy/ Medicine or Master's degree in any branch of Science/ Computer application

Businessworld "Academic Excellence Awards"

Businessworld will confer 'Academic – Excellence' award, 2003 for

- **Budding Business Manager : a cash prize of Rs 1.0 Lac and Businessworld trophy**
- **Budding Info-Technologist : a cash prize of Rs 0.75 Lac and Businessworld trophy**

The winners will be judged on their performance in academics and a three stage selection process:

1. First stage: panel comprising of senior professors of IMT
2. Second stage: panel comprising of middle level executives from industry
3. Final stage: panel of eminent industry experts

We Made It So Can You

CAT is considered one of the toughest management entrance tests in the world. Even the tests at the other top management schools in India are nothing to scoff at. Still want to try your luck? We should certainly hope so. Look at the bright side: cracking any of these tests instantly makes you an over-achiever.

But what does it take to ace these exams? Ask anybody who's got through and the answer is likely to be the same: Determination, dedication and diligence. Here are the stories of how four students used the simple '3D' formula and got into some of the most coveted schools in India.



Abhishek Chaudhary (IIM-A)
B Tech (Elec), IIT Delhi,
Four years of work experience

AT Pramati Technologies, my typical work schedule was 9:30 am to 9:30 pm. Occasionally, it used to stretch till 1:00 am. I used to put in 12-plus hours a day and travelled 22 kms on bike. Believe me, this isn't the kind of schedule you want to keep while preparing for CAT. It meant that I was left with only a few hours for preparation at night.

Ideally, an input of 2-3 hours of regular preparation over an extended period of 3-4 months should be enough to fetch you an interview call. But my heavy work schedule did not allow me even two hours for prep.

I streamlined my office work, utilised every single moment, and eliminated the need to work overtime. Then I could avail of the official weekend holiday. When I started my preparation, I took most of my mock-tests over the weekends. I just became more systematic – I never compro-

mised on my work.

My IIT background helped me in the quantitative and data interpretation sections. I avoided mugging-up word lists as the payoffs were unattractive and time was at a premium.

For CAT, I relied completely on a postal coaching programme. Because of this I could not take any mock interviews or GDs. But I found a way to get around that. At office, we used to have a number of brainstorming sessions and group meetings. I started to treat them as a platform.

This helped me a lot. I also read some books on interviews and GDs, and took advice from my seniors at work on how to structure my thoughts before speaking. Interestingly, the group discussion at IIM-Ahmedabad was my first 'real' GD!

Pallavi Chari (IIFT)
Economics graduate, New Delhi

WHAT worked for me was studying throughout the day (with short breaks thrown in-between), a little



unwinding at night and good sleep.

Reading comprehension was never a problem as I have a good reading speed. All I had to do was learn how to change from a passive reader to a more active reader. Data Interpretation was also easy – I solved one set of problems a day.

The problem area was Maths – I just dreaded those geometrical figures! The only way to fight the demons was to get my basics right. I dug out my school textbooks and got cracking on the numbers and equations. Speed counts in CAT so I learnt shortcuts to calculations and formulas. Although I didn't study in a group, I discussed unsolved problems with my friends.

Apart from all this, I subscribed to *Outlook* and read four newspapers a day. During breaks, I relaxed by playing badminton and basketball, caught up with my favourite songs on FM radio, Channel V and MTV.

For the GD and interview, I prepared beforehand for every question I thought could be asked and also took mock interviews. I was so confident before my IIFT interview that I felt I had answers to every question.

Abhishek Sud (IIM-A)

BE (Comp Sc), DIT

Two years of work experience

AFTER doing my BE in Computers from the University of Delhi, I was really thrilled to get a job offer from IBM Global Services India.

It was not easy preparing for CAT while working. Since I could not attend any classroom lectures, I enrolled for a test series programme at a coaching centre. I took my tests on weekends and studied at least one hour everyday.

This preparation ultimately paid off – I received interview calls from all the IIMs! To prepare for the interviews I took some mock interviews and participated in GDs at my workplace. I asked some friends at work to give me feed-

back so that I could identify and work on my weak points.

The IIM-A interview focussed on the case analysis that we had done, on my work experience and on economics. The IIM-B interview was primarily on my work experience, while the one with IIM-C stressed a lot on quantitative skills.

I managed to convert all my interviews, but the choice was clear. IIM-A – with its reputation for being the best business school in Asia-Pacific, its brilliant faculty and its focus on the case method – was the school for me.



Ruchika Sharma (XLRI)

IT graduate, New Delhi

COMPLETE silence in the dead of the night suits me just fine, so I used to start studying at 10 pm and pack up by 6 am. This went on for two months. Every day, I used to attempt a full-length test. I also did section tests. For me, breaks meant watching TV, listening to music and meeting up with friends.

I had no problems with reading comprehension, but the quantitative aspect needed a little more effort. So I made it a point to practise quant and multiple-choice questions. I also did a quant section everyday. DI was quite a tough one for me, so I practised it as much as I could.

I read the *Times of India*, the *Hindustan Times*, *India Today* and *Outlook*. I also read *The Economic Times* during the interview preparation. I made sure that I had all the answers on key aspects of my life (parents, education, hobbies, subjects, etc.) at the tips of my fingers. I would also give myself a lot of pep talk since the interview is essentially a test of personality – you need loads of self-confidence.

All MBA aspirants should be prepared for an emotional roller-coaster ride – besides an immense workload. So think positive and work hard. ■



Tips and Tricks to Crack CAT

Yes, slogging is unavoidable if you want to get a great score in CAT. But right at this moment, there are thousands of other students out there with their noses buried in books. The only way to get an edge over them is to study smart. And go into the test with a plan.

HERE are some handy tips and tricks for tackling 'the mother of all management exams'.

Dummy answer sheet: Familiarise yourself with the dummy answer sheet in the CAT bulletin and get in some practice filling the circles as instructed in the bulletin. This will give you an idea of the format of the real answer sheet and you can save precious seconds on test day.
Follow instructions scrupulously: Understand and follow all instructions on test day – often, getting a whole set of questions right can depend on key instructions that are given at the beginning.

Organise rough work: Do all calculations and draw rough sketches in margins alongside the questions. This way you won't have to waste time turning pages to refer to the questions again and again.

Manage your time: Time management is crucial in CAT since you have to get a minimum score in each section. The first three to four minutes should be spent scanning the paper and understanding the surprise elements present in CAT. Then you need to check the number of questions in each section and allocate time to the sections based on your experience in mocks.

Order of sections: Start with the section you are most comfortable with. But don't make the mistake of leaving the section you are least confident of for the very end. Sandwich it somewhere in the middle. Practise tackling sections in different sequences while doing mocks so that you are clear what order works best for you.

Selection of questions within a section: The right choice can make or mar your score. It is very unlikely that you will be able to solve all the questions in the given time. Also each question carries the same weightage. So first select the questions you find easier and keep the difficult ones for later. The easy questions are usually those that appear very familiar on the first reading itself and the method of

solving is also clear to you. Remember, it does not make any sense to do questions that are more than five lines long, as even if they are easy, reading alone will consume a lot of time. Unless you have a lot of time, don't attempt questions from topics that are not your forte.

Two-round strategy: It would be a good idea to tackle each section in at least two rounds. In the first round, run through the section as fast as possible and be extremely choosy about the questions you attempt. All questions you decide to solve should be done in less than a minute. Try to finish the first round in about one-third of the time allocated for that section and try to attempt around one-fourth of the questions in that section. Attempt the unsolved ones in the remaining time in round two. In the verbal section for instance, you are likely to do questions on vocabulary and grammar in the first round and questions on para-jumbles and reasoning in the second. Use the mock tests to fine-tune your strategy for the E-Day.

Set an 'attempt limit': In addition to setting a time limit, set an 'attempt limit' (maximum number of questions you will attempt) for each section based on the likely cut-offs and your accuracy level. As soon as the attempt limit is reached, move on to the next section even if the time limit is not exhausted. You don't know what is in store for you in the rest of the paper, so don't linger on at a particular section. If the time limit is exhausted before the attempt limit, then you *must* proceed to the next section.

One last piece of advice. Make sure that workload over the last few days is kept in check. The incremental benefit from too many practice tests in the last week is negligible. Relax. Spend the last days practising some weak areas. On the eve of the test, listen to your favourite music or watch television.

Now you're ready. ■

Chandrasekhar Singh, academic head of MBA preparation, Career Launcher



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(Centres subject to change).

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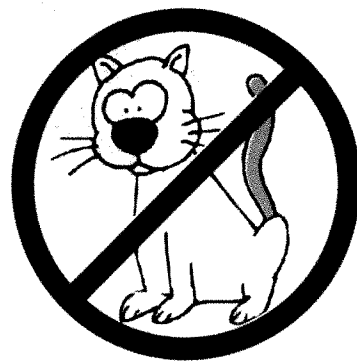
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How to Tackle Non-CAT Tests



If you think that verbal dexterity and maths prep is all you need to get into an A-class MBA, think again. CAT may be your ticket to the IIMs and some other schools, but it isn't the only exam you need to crack. Nor does it cover everything that you could be tested on. Here are some pointers on how to ace major non-CAT exams:

XLRI (Xavier Labour Relations Institute), Jamshedpur

HOW IT'S DIFFERENT:

- There is a lot of stress on vocabulary
- The reading comprehension questions are direct and fact-based and the passages are limited to 300-350 words. In CAT the passages are longer (up to 1,300 words) and there are both inferential and fact-based questions
- You won't find a direct question on arithmetic, algebra and geometry
- It has analytical reasoning questions instead of regular quantitative aptitude questions
- The logical reasoning section carries a lot of weightage and is very unpredictable. You can get questions on just about anything: maths, computer algorithms, etc.
- There is a separate section on general awareness

HOW TO CRACK IT:

- Practise as many reasoning questions as you can. Go through previous question papers
- Get into the habit of solving puzzles. *Puzzles* by George Summers is a good book to start with
- As the focus is on modern maths, practise questions on permutations and combinations, functions and series
- Mug up your vocabulary lists
- Get up to speed on general awareness

FMS (Faculty of Management Studies), New Delhi

HOW IT'S DIFFERENT:

- You are likely to be tested on foreign and little-known words

- Maths is relatively simple

HOW TO CRACK IT:

- Mug up your word list, especially foreign and not-so-familiar words
- Do a lot of sentence correction questions
- Try to max the quant section

IIFT (Indian Institute of Foreign Trade), N. Delhi

HOW IT'S DIFFERENT:

- The general awareness section comprises questions on trade-related figures, key dates, UN bodies and WTO

HOW TO CRACK IT:

- Bone up on your general awareness
- Expect the unexpected – in one of the tests all the GK questions were on history
- Since each section has a different weightage, attempt sections carrying the higher weightage first
- Usually, there is no section time limit. Don't linger over questions you don't know. Come back when you are through with other problems

TISS (Tata Institute of Social Sciences), Mumbai

HOW IT'S DIFFERENT:

- The first stage of the selection process has an essay, an objective test and a group discussion. The topics for the essay are generally on social, economic and political issues.

HOW TO CRACK IT:

- Update your knowledge of current issues
- Practise writing different kinds of essays

IMT (Institute of Management Technology), Ghaziabad

HOW IT'S DIFFERENT:

- In verbal reasoning there are sets of arguments, based on which you have to draw conclusions

HOW TO CRACK IT:

- Go through earlier papers and practise as many questions on verbal reasoning as possible

CET (Common Entrance Test), Maharashtra

HOW IT'S DIFFERENT:

- There are no sections – questions on various topics are simply jumbled up. (You could face a few questions on maths followed with a few on English and then reading comprehension)
- The arithmetic questions are quite elementary
- There are some questions based on visual reasoning. For instance, you could be given five visuals and asked to identify the odd one out
- There are problems on eligibility criteria. For example, a selection criteria for a job may be given in terms of age, qualification and experience followed by characteristics of applicants and you could be asked to decide which applicant to select

HOW TO CRACK IT:

FURTHER RESOURCES

Vocabulary: *Increase Your Word Power* by Norman Lewis
Vocabulary Made Easy by Wilfred Funk
Quantitative Aptitude: *Quantitative Aptitude* by R.S. Agarwal
Data Interpretation: *Quicker Maths* by M.Tyra
General Knowledge: *Competition Success Review*
Manorama Year Book

- Practise reasoning questions
- Don't let the random order bother you. One can easily spot the RC and data interpretation questions and these can be tackled at one go
- Go ahead and guess – there is no negative marking

NITIE (National Institute of Industrial Engineering)

HOW IT'S DIFFERENT:

- There is a separate section on science and engineering technology
- There are around 30 questions that will test your understanding of mechanics and 12th standard physics
- There are basic questions on electrical engineering and computer science
- The quantitative aptitude section includes questions from 12th standard maths and engineering

HOW TO CRACK IT:

- Focus on maths and mug-up the vocabulary lists. ■

Chandrasekhar Singh, academic head of MBA preparation, Career Launcher

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		Vocabulary	Grammar	Verbal Reasoning
March	1st Week	List A, B		
	2nd Week	List C, D		
	3rd Week	List E, F, G		
	4th Week	Break for Easter		
April	5th Week			
	6th Week			
	7th Week			
	8th Week			
May	9th Week	Revise list A to G		
	10th Week	List H, I, J, K		
	11th Week	List L, M		
	12th Week	List N, O		
June	13th Week	Revise List H to O		
	14th Week	Revise List A to G		
	15th Week	List P, Q	Parts of Speech	
	16th Week	List R, S	Grammar practice exercises	Parajumbles
July	17th Week	List T, U, V	Practise two exercises on error identification every week	Deductive logic
	18th Week	List W, X, Y, Z		Logical consistency
	19th Week	Revise List A to G		Inductive logic
	20th Week	Revise list H to O		Exercises on verbal logic
August	21st Week	Revise list P to Z		Critical reasoning
	22nd Week	Practise analogies		Critical reasoning exercise
	23rd Week	Practise odd word out		
	24th Week	Practise synonyms		
September	25th Week	Practise antonyms		
	26th Week	Take two section tests on English usage and verbal ability		
	27th Week			
	28th Week			
October	29th Week	- Take three full-length tests every week - Focus on analysis of tests to identify your areas of strengths and weaknesses - Go through the fundamentals in the weak areas - Spend a lot of time analysing your performance in the test to minimise the mistakes and increase efficiency		
	30th Week			
	31st Week			
	32nd Week			
November	33rd Week	Take two full-length tests every week. Finalise all strategies. Focus only on areas of strength and look for better ways of solving problems		
	34th Week			
	35th Week	Just take two full-length tests. Relax a lot. Spend time doing what you like most		

The CL Vocab Builder



ANALOGIES

(Select the pair which is related in the same way as the capitalised words are related to each other)

1. INTIMIDATE : FEAR

- (a) maintain : satisfaction
- (b) astonish : wonder
- (c) soothe : concern
- (d) lion : tame

2. BANISH : APOSTATE

- (a) reward : traitor
- (b) renegade : assistance
- (c) remorse : result
- (d) welcome : ally

3. WAVE : CREST

- (a) pinnacle : nadir
- (b) mountain : peak
- (c) sea : ocean
- (d) high : low

4. HANDCUFFS : ROBBER

- (a) leash : dog
- (b) rope : tie
- (c) shoes : feet
- (d) paper : kite

5. BUZZ : HUM

- (a) whisper : noise
- (b) echo : sound
- (c) tinkle : clang
- (d) crack : whip

6. APOCRYPHAL : AUTHENTICITY

- (a) nefarious : wickedness
- (b) dogmatic : assertiveness
- (c) deceptive : artifice
- (d) hypocritical : integrity

7. STARE : GLANCE

- (a) participate : observe
- (b) scorn : admire
- (c) hunt : stalk
- (d) gulp : sip

8. MOISTEN : DRENCH

- (a) enclose : confine
- (b) prick : stab
- (c) disregard : ignore
- (d) scrub : polish

9. CONFESS : DENY

- (a) royal : regal
- (b) speak : hear
- (c) release : imprison
- (d) pierce : dart

10. DELICATE : FASTIDIOUS

- (a) hardworking : diligent
- (b) altruistic : mercenary
- (c) demonstrative : effusive
- (d) deceptive : fallacious

11. MYSTERY : SOLVE

- (a) break : crack
- (b) door : key
- (c) detective : crime
- (d) book : reader

12. FAIR : FARE

- (a) smart : pretty
- (b) bushel : corn
- (c) hair : hare
- (d) moral : amoral

13. GALLEY : SHIP

- (a) mall : market
- (b) restaurant : hotel
- (c) kitchen : bedroom
- (d) banquet : feast

14. DIAMETER : CIRCLE

- (a) altitude : triangle
- (b) diagonal : rectangle
- (c) noon : day
- (d) equator : hemisphere

15. ANNEXE : BUILDING

- (a) lyric : song
- (b) paragraph : text
- (c) postscript : letter
- (d) hill : mountain

16. GARBAGE : SQUALOR

- (a) dirtiness : cleanliness
- (b) colour : brush
- (c) diamond : magnificence
- (d) poor : hunger

17. EYE : LIGHT

- (a) hear : see
- (b) fry : bake
- (c) ear : sound
- (d) hand : fist

18. PUBLICATION : LIBEL

- (a) magazine : book
- (b) life : death
- (c) speech : slander
- (d) lump : sugar

19. MAROON : SAILOR

- (a) red : ship
- (b) stranded : tourist
- (c) crimson : flower

(d) colour : dress

20. NAÏVE : CHEAT

- (a) gullible : convince
- (b) cunning : clever
- (c) hurt : retaliate
- (d) sensible : foolish

21. WORD : CHARADE

- (a) phrase : act
- (b) message : code
- (c) fun : frolic
- (d) chart : graph

22. LINEAGE : PERSON

- (a) foliage : tree
- (b) derivation : word
- (b) adolescence : child
- (d) title : book

23. SCURRY : MOVE

- (a) chant : sing
- (b) chatter : talk
- (c) carry : lift
- (d) sleep : drowse.

24. JOY : ECSTASY

- (a) admiration : love
- (b) life : hope
- (c) happiness : sorrow
- (d) youth : fun

25 GLOSSARY : WORDS

- (a) catalogue : dates
- (b) atlas : maps
- (c) almanac : synonyms
- (d) thesaurus : rhymes

26. ADULATION : FLATTERY

- (a) humility : vanity
- (b) credulity : sincerity
- (c) emulation : rivalry
- (d) castigation : admonishment

27. OPEN : SECRETIVE

- (a) mystery : detective
- (b) tunnel : toil
- (c) forthright : snide

(d) better : best

28. GERM : DISEASE

- (a) man : woman
- (b) doctor : medicine
- (c) war : destruction
- (d) shopkeeper : goods

29. EPAULETTE : SHOULDER

- (a) noose : neck
- (b) tiara : head
- (c) splint : arm
- (d) knapsack : back

30. MODERATOR : DEBATE

- (a) legislator : election
- (b) chef : banquet
- (c) auditor : lecture
- (d) umpire : game

31. APOGEE : PERIGEE

- (a) opposite : composite
- (b) dog : pedigree
- (c) inappropriate : apposite
- (d) effigy : statue

32. METAPHOR : FIGURATIVE

- (a) fable: contemporary
- (b) adage : paradoxical
- (c) precept : instructive
- (d) irony : dramatic

33. INSULT : INVULNERABLE

- (a) success : capable
- (b) poverty : miserable
- (c) assault : impregnable
- (d) purchase : sell

34. LAW : CITIZEN

- (a) reins : horse
- (b) tyranny : despot
- (c) democracy : communist
- (d) weapon : peace

35. GROVEL : SERVILITY

- (a) titter : arrogance
- (b) fume : anger

- (c) yawn : civility
- (d) preen : modesty

36. TRAILER : MOTION PICTURE

- (a) truck : cargo
- (b) theatre : play
- (c) edition : novel
- (d) commercial : product

37. PHYSIQUE : STURDY

- (a) intellect : noble
- (b) punctuality : tardy
- (c) investment : sound
- (d) fabric : worn

38. IMPEACH : DISMISS

- (a) arraign : indict
- (b) exonerate : charge
- (c) plant : reap
- (d) imprison : police

39. EMULATE : MIMIC

- (a) aggressive : lessen
- (b) praise : flatter
- (c) aggravate : promote
- (d) express : imply

40. DEFLECT : MISSILE

- (a) defend : fortress
- (b) reflect : mirror
- (c) dismantle : equipment
- (d) distract : attention

41. CELEBRATE : MARRIAGE

- (a) window : bedroom
- (b) lament : bereavement
- (c) pot : pan
- (d) face : penalty

42. GLAND : ENZYME

- (a) muscle : spasm
- (b) generator : current
- (c) organ : kidney
- (d) brain : cortex

43. STUTTER : SPEECH

- (a) blare : hearing

- (b) aroma : smelling
- (c) astigmatism : sight
- (d) novacaine : touch

44. ASCETIC : LUXURY

- (a) capitalist : communist
- (b) teacher : classroom
- (c) misogynist : women
- (d) scholar : knowledge

45. ASYLUM : REFUGEE

- (a) destination : traveller
- (b) accident : injury
- (c) peace : war
- (d) flight : escape

46. CLAMOUR : NOISE

- (a) steal : human
- (b) proclaim : impose
- (c) clandestine : secret
- (d) stringent : inflation

47. ERRATIC : INCONSISTENT

- (a) careless : spending
- (b) slightly : detectable
- (c) charred : shapeless
- (d) traits : peculiar

48. TETRAHEDRON : FOUR

- (a) polyhedron : ten
- (b) dodecahedron : twelve
- (c) pyramid : six
- (d) pentagon : six

49. CIRCUMCIRCLE : CIRCUMSCRIBED

- (a) circularise : combination
- (b) circumference : harmonic
- (c) conjugate : pair
- (d) damping : stationary

50. DISPATCH : TARDINESS

- (a) accomplish : abandon
- (b) travesty : spiritual
- (c) colic : shear
- (d) rational : temptation

**IDENTIFY THE
ANTONYM:**

1. Resplendent

- (a) Tired
- (b) Sad
- (c) Dull
- (d) Empty

2. Picayune

- (a) Plentitude
- (b) Significant
- (c) Worthy
- (d) Parody

3. Sardonic

- (a) Scornful
- (b) Pleasant
- (c) Rake
- (d) Soared

4. Nifty

- (a) Smart
- (b) Dowdy
- (c) Inefficient
- (d) Eager

5. Urbane

- (a) Unassuming
- (b) Showy
- (c) Rustic
- (d) Uneducated

6. Dullard

- (a) Quick
- (b) Intense
- (c) Blizzard
- (d) Curious

7. Puerile

- (a) Matured
- (b) Impure
- (c) Aggressive
- (d) Childish

8. Buffoon

- (a) Cyclone
- (b) Quick
- (c) Intelligent
- (d) Slim

9. Underling

- (a) Boss

- (b) High
- (c) Elder
- (d) Above

10. Onerous

- (a) Burdensome
- (b) Curious
- (c) Easy
- (d) Precious

11. Lassitude

- (a) Grief
- (b) Surprise
- (c) Grandeur
- (d) Stamina

12. Emulous

- (a) Weak
- (b) Biased
- (c) Original
- (d) Crooked

13. Motley

- (a) Uniform
- (b) Disorganised
- (c) Small
- (d) Grand

14. Concatenated

- (a) Detached
- (b) Natural
- (c) Unbiased
- (d) Blissful

15. Jerk

- (a) Fair
- (b) Intelligent
- (c) Ugly
- (d) Uneducated

16. Unctuous

- (a) Flattering
- (b) Objective
- (c) Biased
- (d) Mundane

17. Counteractive

- (a) Superb
- (b) Attractive
- (c) Simple
- (d) Cooperative

18. Affable

- (a) Surly
- (b) Weak
- (c) Gullible
- (d) Distorted

19. Clemency

- (a) Necessity
- (b) Amnesty
- (c) Sternness
- (d) Goodwill

20. Occult

- (a) Open
- (b) Hidden
- (c) Respectful
- (d) Regional

21. Etiolated

- (a) Sparkling
- (b) Suppressed
- (c) Depressed
- (d) Humiliated

22. Sunder

- (a) Placate
- (b) Appease
- (c) Disdain
- (d) Unite

23. Quotidian

- (a) Rare
- (b) Unrelated
- (c) Detached
- (d) Imposed

24. Quiescent

- (a) Intolerant
- (b) Turbulent
- (c) Faithful
- (d) Dissatisfied

25. Irascible

- (a) Corrigible
- (b) Cordial
- (c) Retrievable
- (d) Soothing

26. Laity

- (a) Uncommon
- (b) Impressive
- (c) Aristocracy
- (d) Exciting

27. Trammel

- (a) Shout
- (b) Obey
- (c) Encourage
- (d) Depress

28. Blasé

- (a) Imbalanced
- (b) Temperamental
- (c) Impressed
- (d) Ugly

29. Torpor

- (a) Silence
- (b) Solution
- (c) Creation
- (d) Hysteria

30. Obfuscate

- (a) Suffocate
- (b) Clarify
- (c) Mystify
- (d) Modify

31. Gumption

- (a) Apathy
- (b) Confusion
- (c) Destruction
- (d) Inclusion

32. Rambunctious

- (a) Controlled
- (b) Heavenly
- (c) Simple
- (d) Peaceful

33. Cogent

- (a) Jarring
- (b) Illogical
- (c) Astray
- (d) Inaudible

34. Ataraxy

- (a) Destruction
- (b) Creation
- (c) Turmoil
- (d) Patience

35. Dastard

- (a) Innocent
- (b) Single-minded
- (c) Active
- (d) Upright

36. Routine

- (a) Normal
- (b) Aberration
- (c) Actuate
- (d) Abysmal

37. Hedonist

- (a) Cardigan
- (b) Puritan
- (c) Negative
- (d) Spiritual

38. Truncate

- (a) Push
- (b) Break
- (c) Divide
- (d) Join

39. Abstruse

- (a) Complex
- (b) Elysian
- (c) Profound
- (d) Elementary

40. Accessible

- (a) Free
- (b) Recession
- (c) Approachable
- (d) Unapproachable

41. Balm

- (a) Soothe
- (b) Placate
- (c) Pacify
- (d) Irritant

42. Banter

- (a) Joke
- (b) Barrister
- (c) Barricade
- (d) Be serious

43. Revel

- (a) Luxuriate
- (b) Enjoy
- (c) Sunshine
- (d) Be infuriated

44. Spur

- (a) Hinder
- (b) Obtuse
- (c) Repel
- (d) Bolster

45. Cherubic

- (a) Drive
- (b) Bestial
- (c) Avoid
- (d) Mob

46. Boorish

- (a) Urbane
- (b) Rude
- (c) Course
- (d) Boring

47. Porous

- (a) Ore
- (b) Dull
- (c) Boring
- (d) Impregnable

48. Bravado

- (a) Act
- (b) Pretend
- (c) Fool
- (d) Intrepid

49. Stoic

- (a) Perceived
- (b) Bristling
- (c) Ageing
- (d) Docile

50. Brusque

- (a) Curt
- (b) Rude
- (c) Short
- (d) Pleasant

PICK THE ODD WORD OUT

1. (a) Buffer
(b) Unworldly
(c) Incompetent
(d) Paragon
2. (a) Objurgate
(b) Rebuke
(c) Scold
(d) Conjure
3. (a) Doublure
(b) Lacing
(c) Doublet
(d) Frill

4. (a) Fabulist
(b) Narrator
(c) Playwright
(d) Director

5. (a) Factoid
(b) Assumption
(c) Speculation
(d) Factorage

6. (a) Fecund
(b) Fertile
(c) Reproductive
(d) Feculent

7. (a) Frigid
(b) Cold
(c) Afraid
(d) Unresponsive

8. (a) Frisket
(b) Frission
(c) Thrill
(d) Excitement

9. (a) Hasten
(b) Procrastination
(c) Delay
(d) Fritter

10. (a) Hammy
(b) Exaggerated
(c) Theatrical
(d) Haptic

11. (a) Harangue
(b) Harass
(c) Torture
(d) Wreck

12. (a) Encouraging
(b) Supportive
(c) Obstructive
(d) Heuristic

13. (a) Perspiration
(b) Sweating
(c) Hidrosis
(d) Osmosis

14. (a) Homebody
(b) Home-bird
(c) Homburg

- (d) Homedweller

15. (a) Hotspur
(b) Impatient
(c) Serene
(d) Nervous

16. (a) Gospel
(b) Hosanna
(c) Hymn
(d) Hosta

17. (a) Impudicity
(b) Impuissance
(c) Arrogance
(d) Immodesty

18. (a) Inapposite
(b) Inappetence
(c) Hunger
(d) Glutton

19. (a) Insouciance
(b) Insidiousness
(c) Apathy
(d) Nonchalance

20. (a) Inspissate
(b) Congeal
(c) Soften
(d) Thicken

21. (a) Juvenescence
(b) Juvenalia
(c) Juvenile
(d) Juvenal

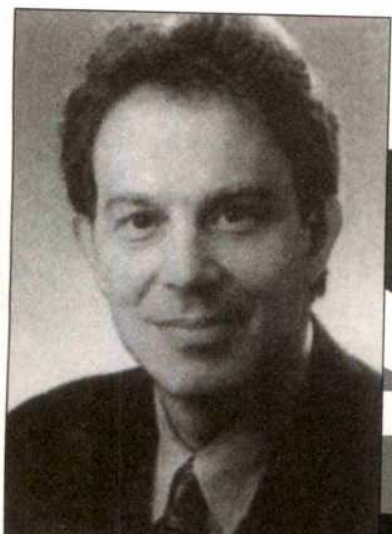
22. (a) Kaput
(b) Crashed
(c) Broken
(d) Kaross

23. (a) Revelry
(b) Klaxon
(c) Party
(d) Gathering

24. (a) Lactate
(b) Secrete
(c) Lacrosse
(d) Lacteal

25. (a) Labret

- (b) Lambrequin
(c) Ornament
(d) Labrador
26. (a) Lackadaisical
(b) Lacklustre
(c) Boring
(d) Lackey
27. (a) Laconic
(b) Terse
(c) Tall
(d) Concise
28. (a) Palmy
(b) Greasy
(c) Flourishing
(d) Successful
29. (a) Palpate
(b) Feel
(c) Examine
(d) Palpitate
30. (a) Pillock
(b) Pillory
(c) Stupid
(d) Dumb
31. (a) Plod
(b) Move
(c) Walk
(d) Prod
32. (a) Gloomy
(b) Sombre
(c) Serious
(d) Vivacious
33. (a) Supercilious
(b) Confidant
(c) Haughty
(d) Slimy
34. (a) Tippet
(b) Stole
(c) Scarf
(d) T-shirt
35. (a) Vulpine
(b) Canine
(c) Bovine
(d) Juvenile
36. (a) Baffle
(b) Puzzle
(c) Confuse
(d) Surprise
37. (a) Idyll
(b) Pleasant
(c) Reluctant
(d) Simple
38. (a) Pristine
(b) Clean
(c) Ordeal
(d) New
39. (a) Cadaverous
(b) Thin
(c) Coward
(d) Pale
40. (a) Eschew
(b) Avoid
(c) Uninvolved
(d) Ruminant
41. (a) Crass
(b) Stupid
(c) Cache
(d) Inconsiderate
42. (a) Aberrant
(b) Unusual
(c) Loud
(d) Unacceptable
43. (a) Buoyant
(b) Careless
(c) Cheerful
(d) Lively
44. (a) Apathetic
(b) Uninterested
(c) Unenthusiastic
(d) Fanatic
45. (a) Commemorate
(b) Commend
(c) Praise
(d) Approve
46. (a) Wan
(b) Sparkle
(c) Glow
(d) Rouge
47. (a) Confront
(b) Arrest
(c) Effigy
(d) Fight
48. (a) Psychic
(b) Omen
(c) Prediction
(d) Shoot
49. (a) Ingenious
(b) Clever
(c) Intelligent
(d) Gullible
50. (a) Seedy
(b) Superb
(c) Shady
(d) Weird
- SELECT THE
SYNONYM:**
- 1. Sibillant**
(a) Brotherly
(b) Rhyming
(c) Hissing sound
(d) Friendly
- 2. Umbrage**
(a) Honour
(b) Ceasefire
(c) Offence
(d) Turmoil
- 3. Internecine**
(a) Deadly
(b) In between
(c) Intermediary
(d) Mutual
- 4. Opprobrious**
(a) Appropriate
(b) Balanced
(c) Chaotic
(d) Scornful
- 5. Conundrum**
(a) Armour
(b) Riddle
(c) Abyss
(d) Base
- 6. Asinine**
(a) Masculine
(b) Idiotic
(c) Acidic
(d) Infected
- 7. Bamboozle**
(a) A house made of wood
(b) A musical instrument
(c) To drink alcohol
(d) To confuse
- 8. Cretin**
(a) A stupid person
(b) Metabolism
(c) An insect
(d) Juice
- 9. Fatuous**
(a) Obese
(b) Pompous
(c) Voluminous
(d) Silly
- 10. Addled**
(a) Confused
(b) Pampered
(c) Admired
(d) Snubbed
- 11. Amalgamation**
(a) Congregation
(b) Union
(c) Creation
(d) Inclusion
- 12. Annexation**
(a) Release
(b) Surrender
(c) Removal
(d) Appropriation
- 13. Drudge**
(a) Worker
(b) Apathy
(c) Dismay
(d) Fright
- 14. Travail**
(a) Story
(b) Labour
(c) Hardship
(d) Journey



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British Prime Minister

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YOUR INTERNATIONAL HIGHWAY TO OVERSEAS EDUCATION

15. Brummagem

- (a) Sweet
- (b) Uninterested
- (c) Awful
- (d) Counterfeit

16. Curmudgeon

- (a) Faulty
- (b) Ill-will
- (c) Confusion
- (d) Bad-tempered

17. Termagant

- (a) Unreliable
- (b) Shrewish
- (c) Desperate
- (d) Fishy

18. Sacerdotal

- (a) Hallowed
- (b) Priestly
- (c) Sacrificial
- (d) Immersed

19. Refractory

- (a) Disobedient
- (b) Path
- (c) Telescopic
- (d) Faulty

20. Thaumaturgist

- (a) Specialist
- (b) Thief
- (c) Magician
- (d) Musician

21. Cachinnation

- (a) Laughter
- (b) Shame
- (c) Fun
- (d) Anger

22. Autochthonous

- (a) Native
- (b) Autonomous
- (c) Subsidiary
- (d) Affiliated

23. Concupiscence

- (a) Clarity
- (b) Lust
- (c) Abundance
- (d) Shortage

24. Terse

- (a) Abrupt
- (b) Hollow
- (c) Furious
- (d) Brave

25. Odalisque

- (a) Concubine
- (b) Vague
- (c) Problematic
- (d) Crass

26. Scabrous

- (a) Rough
- (b) Inflamed
- (c) Hot
- (d) Bald

27. Utile

- (a) Advantageous
- (b) Rare
- (c) Outdated
- (d) Useless

28. Untrammelled

- (a) Original
- (b) Unprecedented
- (c) Free
- (d) Defiant

29. Shibboleth

- (a) Slogan
- (b) Prayer
- (c) Gathering
- (d) Mass

30. Quixotic

- (a) Unrealistic
- (b) Stupid
- (c) Timid
- (d) Backward

31. Supererogatory

- (a) Super-imposed
- (b) Superior
- (c) Non-essential
- (d) Elaborate

32. Hecatombs

- (a) Slaughter
- (b) Torture
- (c) Monument
- (d) Epigraph

33. Obloquy

- (a) Conference
- (b) Defamation
- (c) Prejudice
- (d) Forgetfulness

34. Vitreous

- (a) Malicious
- (b) Sticky
- (c) Lively
- (d) Glassy

35. Ululate

- (a) Howl
- (b) Plead
- (c) Sing
- (d) Mumble

36. Renounce

- (a) Accept
- (b) Nullify
- (c) Abdicate
- (d) Mulct

37. Abnegation

- (a) Invite
- (b) Deify
- (c) Inaccurate
- (d) Self-denial

38. Placate

- (a) Appeal
- (b) Abolish
- (c) Testify
- (d) Soothe

39. Abstract

- (a) Vague
- (b) Concrete
- (c) Tangible
- (d) Theoretical

40. Retard

- (a) Brake
- (b) Slowdown
- (c) Crazy
- (d) Speed-up

41. Actuary

- (a) Deny
- (b) Disprove
- (c) Approval
- (d) Of statistics

42. Unreasonable

- (a) Practical
- (b) Arbitrary
- (c) Unimpeachable
- (d) Sanity

43. Exalt

- (a) Praise
- (b) Condemn
- (c) Ridicule
- (d) Debase

44. Archipelago

- (a) Arcane
- (b) Archaic
- (c) A group of islands
- (d) A group of ducks

45. Armada

- (a) Fleet
- (b) Booty
- (c) Array
- (d) Paltry

46. Swollen

- (a) Trivial
- (b) Gully
- (c) Turgid
- (d) Punitive

47. Blarney

- (a) Rebuke
- (b) Upbraid
- (c) Censure
- (d) Flattery

48. Diseased

- (a) Puritan
- (b) Paradigm
- (c) Blessed
- (d) Blighted

49. Blurt

- (a) Loosen
- (b) Speak out
- (c) Blarney
- (d) Mellifluous

50. Support

- (a) Lenient
- (b) Arrival
- (c) Turpitude
- (d) Bolster

51. Cunning

- (a) Vulpine
- (b) Blithe
- (c) Stupid
- (d) Jiffy

ANSWERS with explanations to select questions

Analogies:

- 1. b
- 2. d (Just as an apostate is banished from society an ally is welcomed by society)
- 3. b
- 4. a
- 5. c
- 6. d
- 7. d
- 8. b
- 9. c ('Confess' and 'Deny' are antonyms; the pair with the same relationship is 'c')
- 10. c
- 11. b
- 12. c
- 13. b
- 14. b
- 15. c
- 16. c
- 17. c
- 18. c
- 19. b
- 20. a
- 21. b
- 22. b
- 23. b
- 24. a
- 25. b
- 26. d (Adulation is praise or flattery. Similarly, castigation is severe admonishment or criticism)
- 27. c
- 28. c
- 29. b
- 30. d (A moderator is a person who presides over a debate and takes decisions, just as an umpire does in a match)
- 31. c

- 32. c
- 33. c
- 34. a (Laws are made to keep citizens in control. Reins control the movement of a horse)
- 35. b
- 36. d
- 37. c
- 38. a (After being impeached, a person may be dismissed. Similarly, after the arrangement in a court, the accused may be convicted)
- 39. b
- 40. d
- 41. b
- 42. b
- 43. c
- 44. c
- 45. a (Just as a refugee seeks asylum, a traveller seeks his destination)
- 46. c
- 47. c
- 48. b
- 49. c
- 50. a

Antonyms:

- | | |
|-------|-------|
| 1. c | 2. b |
| 3. b | 4. c |
| 5. c | 6. a |
| 7. a | 8. c |
| 9. a | 10. c |
| 11. d | 12. c |
| 13. a | 14. a |
| 15. b | 16. b |
| 17. d | 18. a |
| 19. c | 20. a |
| 21. a | 22. d |
| 23. a | 24. b |
| 25. b | 26. c |
| 27. c | 28. c |
| 29. d | 30. b |
| 31. a | 32. a |
| 33. b | 34. c |
| 35. d | 36. b |
| 37. d | 38. d |
| 39. d | 40. d |
| 41. d | 42. d |
| 43. d | 44. a |

- | | |
|-------|-------|
| 45. b | 46. a |
| 47. d | 48. d |
| 49. b | 50. d |

Odd Word Out:

- 1. d (Buffer, Unworldly and Incompetent are negative attributes. A Paragon sets an ideal example)
- 2. d
- 3. c (Doublure or ornamental lining, Lacing and frill are part of clothing. A doublet is a pair of similar things)
- 4. d
- 5. d
- 6. d (Fecund, Fertile and Reproductive describe something that is capable of producing offspring. feculent is an object containing dirt)
- 7. c
- 8. a
- 9. a ('Afraid' means a feeling of fear. The other words denote wastage of time)
- 10. d
- 11. a
- 12. c
- 13. d
- 14. c
- 15. c
- 16. d
- 17. b (Impudicity, Arrogance and Immodesty mean 'having an exaggerated sense of one's importance or abilities'. Impuissance means powerlessness)
- 18. a
- 19. b (Insouciance, Apathy and Nonchalance indicate an indifferent attitude. Insidiousness is the process of spreading something in a gradual, yet harmful way)
- 20. c
- 21. d
- 22. d

- 23. b (Klaxon is an electric iron. The other words relate to a kind of gathering)
- 24. c (Secrete means to discharge a substance from a cell or an organ and Lactate is the verb form of secretion of milk; Lacteal is an adjective of milk; Lacrosse is the name of a team sport)
- 25. d
- 26. d
- 27. c
- 28. b
- 29. d
- 30. b
- 31. d
- 32. d
- 33. d
- 34. d
- 35. d
- 36. d
- 37. c
- 38. c
- 39. c
- 40. d
- 41. c
- 42. c
- 43. b
- 44. d
- 45. a
- 46. d
- 47. c
- 48. d
- 49. d
- 50. b

Synonyms:

- | | |
|-------|-------|
| 1. c | 2. c |
| 3. a | 4. d |
| 5. b | 6. b |
| 7. d | 8. a |
| 9. d | 10. a |
| 11. b | 12. d |
| 13. a | 14. c |
| 15. d | 16. d |
| 17. b | 18. b |
| 19. a | 20. c |
| 21. a | 22. a |
| 23. b | 24. a |
| 25. a | 26. a |
| 27. a | 28. c |
| 29. a | 30. a |
| 31. c | 32. a |
| 33. b | 34. d |
| 35. a | 36. c |
| 37. d | 38. d |
| 39. a | 40. b |
| 41. d | 42. b |
| 43. a | 44. c |
| 45. a | 46. c |
| 47. d | 48. d |
| 49. b | 50. d |
| 51. a | |

The CL Question Bank



AGRICULTURE

1. Which of the following represents India's global position in sugar and sugarcane production?

- a. Third
- b. Second
- c. First
- d. Fourth

2. Which Indian state is the highest producer of pulses?

- a. Maharashtra
- b. Uttar Pradesh
- c. Madhya Pradesh
- d. Karnataka

3. National Bank for Agricultural and Rural Development (NABARD) was established in which year?

- a. 1978
- b. 1980
- c. 1982
- d. 1984

4. Which of the following states is known as the 'Sugar Bowl of India'?

- a. Karnataka
- b. Bihar
- c. Uttar Pradesh
- d. Maharashtra

5. The highest cereal producing state in India is:

- a. Maharashtra
- b. Karnataka
- c. Uttar Pradesh
- d. Madhya Pradesh

6. Which state is the largest producer of coffee in India?

- a. Kerala
- b. Karnataka
- c. Tamil Nadu
- d. Andhra Pradesh

7. Besides being the biggest producer of sugarcane in the world, India ranks first in which of the following?

- a. Coffee
- b. Tobacco
- c. Tea
- d. Milk

8. The biggest producer of tobacco in the world is:

- a. India
- b. US
- c. China
- d. Russia

9. The first five-year Plan began in the year:

- a. 1949
- b. 1950
- c. 1951
- d. 1952

10. Integrated Rural Development Programme (IRDP) was launched in which of the following years?

- a. 1971-72
- b. 1974-75
- c. 1978-79
- d. 1981-82

11. The National Institute of Rural Development is based at:

- a. Bangalore
- b. Ahmedabad

- c. Hyderabad
- d. Bhopal

12. Which of the following is the main reason for rural poverty?

- a. Lack of capital
- b. Rapid population growth
- c. Illiteracy
- d. All of them are reasons for rural poverty

13. Which of the following is not a Kharif crop?

- a. Rice
- b. Cotton
- c. Sugarcane
- d. Gram

14. Which of the following is not a Rabi crop?

- a. Wheat
- b. Mustard
- c. Rapeseed
- d. Maize

15. Which of the following is not a commercial crop?

- a. Oilseed
- b. Cotton
- c. Sugar
- d. All of them are commercial crops

16. Kharif crop is sown in the month of... and harvested in... every year:

- a. January, May
- b. October, April
- c. July, October
- d. February, September

17. Rabi crop is sown in... and is harvested in... every

year:

- a. October, April
- b. June, September
- c. January, August
- d. July, December

18. The National Agricultural Insurance Scheme that was launched in 1999 is sponsored by:

- a. Life Insurance Corporation of India
- b. General Insurance Corporation of India
- c. Ministry of Rural Development, Government of India
- d. Reserve Bank of India

19. Which revolution is associated with the objective of achieving self-dependence in the production of oilseeds?

- a. Golden revolution
- b. Blue revolution
- c. Yellow revolution
- d. Red revolution

20. The Central Institute of Agricultural Engineering is based at:

- a. Bangalore
- b. Lucknow
- c. Patna
- d. Bhopal

21. The largest producer of tea in the world is:

- a. US
- b. China
- c. India
- d. Sri Lanka

22. The Indian Agriculture Research Institute (IARI) is in:

- a. Mumbai
- b. Kolkata
- c. New Delhi
- d. Chennai

BUSINESS AFFAIRS

1. Which of the following personalities is the first deputy managing director of the International Monetary Fund (IMF)?

- a. Marjorie Scardino
- b. Milton Friedman
- c. Anne O. Krueger
- d. Anita Roddick

2. Indira Nooyi was in the news recently. Why?

- a. She has recently changed her company from PepsiCo to Coca-Cola and joined as its president.
- b. She has recently resigned from the post of president & CFO of Pepsi as she was found to be involved in a massive finance scandal.
- c. According to the latest survey of *Fortune*, she is the world's fourth most powerful woman in business.
- d. None of these

3. 'Aura' is the name of alloy wheels which are manufactured by:

- a. Indal
- b. Nalco
- c. Hindalco
- d. Tisco

4. This watch in its advertising campaigns is promoted by the adline 'James Bond's choice'. Identify the watch:

- a. Cartier
- b. Tissot
- c. Rado
- d. Omega

5. The winner of Ernst & Young's Entrepreneur of the Year 2002 award is:

- a. Sunil Mittal
- b. Rahul Bajaj
- c. Mukesh Ambani
- d. N.R. Narayana Murthy

6. The newly appointed chairman of Steel Authority of India Ltd. (SAIL) is:

- a. J.R. Verma

- b. Sanjeev Sahi
- c. V.S. Jain
- d. Arvind Pande

7. 'Creating lasting impressions' is the punchline associated with:

- a. Lacoste
- b. Reynolds
- c. J.K. Paper
- d. Ricoh

8. R.K. Somany is the newly appointed president of which of the following organisations for the year 2002-2003?

- a. Ficci
- b. Sebi
- c. CII
- d. Assocham

9. Which of the following companies is the world's largest manufacturer of bicycles?

- a. Atlas
- b. Hero
- c. Trek
- d. Riese & Mueller

10. The 'Barista' coffee chain is headed by:

- a. Vikas Verma
- b. Sunil Sanger
- c. Ravi Deol
- d. Vippan Kapur

11. One of the following is not a P&G brand. Identify it from the given options:

- a. Camay
- b. Ariel
- c. Dove
- d. None of these

12. 'North-East Vision 2010', is a programme launched recently to:

- a. Achieve 100% literacy in the North-eastern states of India
- b. Make the North-eastern states the industrial centre of the country
- c. Completely eliminate eye-related diseases from the North-eastern states
- d. Achieve 100% electrification of North-eastern states

13. 'Answers for questions to come' is the punchline of:

- a. General Motors
- b. Hyundai Motors
- c. Ford Motors
- d. DaimlerChrysler

14. Who is the winner of the World Entrepreneur of the Year 2002, given by Ernst & Young?

- a. Marco Aurelio Garib
- b. Ronald Bulkan
- c. Stefan Vilsmeier
- d. Martin Movicar

15. According to 'Fortune', the richest sports personality in the world is:

- a. Tiger Woods
- b. Sachin Tendulkar
- c. Michael Schumacher
- d. Ronaldo

16. Who has issued tax-free bonds at 7% rate of interest in the month of October 2002?

- a. State Bank of India
- b. Canara Bank
- c. Punjab National Bank
- d. Reserve Bank of India

17. According to the recently submitted report of the national auto fuel policy under the chairmanship of R.A. Mashelkar, the targeted year for the implementation of Euro-III norms to reduce pollution levels is:

- a. 2004
- b. 2005
- c. 2007
- d. 2008

18. Which of the following companies has recently acquired apparel maker 'ColorPlus'?

- a. Madura Garments
- b. Raymond
- c. S. Kumars
- d. None of these

19. One of the following personalities has been recently chosen as the honorary president of the International Economic Association. Identify him from the given options:

- a. Jagdish Bhagwati
- b. Amartya Sen
- c. P.R. Brahmanand
- d. I.G. Patel

20. The new chairman of the Indian Banks' Association (IBA) is:

- a. Dalbir Singh
- b. Deepak Puri
- c. P.P. Vora

d. V.P. Singh

21. The new chairman of the Press Trust of India is:

- a. V.K. Chopra
- b. Vineet Jain
- c. Shobhana Bhartiya
- d. N. Ram

22. 'Unstoppable' is the adline of which brand of tyres?

- a. MRF
- b. Ceat
- c. Apollo
- d. JK

23. This magazine claims it is 'India's best-informed news weekly'. We are talking about:

- a. *India Today*
- b. *Outlook*
- c. *Businessworld*
- d. *The Week*

24. 'Better sound through research', is the punchline associated with which of the following companies?

- a. Sony
- b. Panasonic
- c. Bose
- d. Kenwood

25. 'Rockport' and 'Clark' are famous brands of:

- a. Watches
- b. Shoes
- c. Cigarettes
- d. Sports utility vehicles

26. According to the ORG-MARG survey, which of the following was the most trusted brand in 2002?

- a. Colgate
- b. Britannia
- c. Lux
- d. Dettol

27. India's biggest car manufacturer is:

- a. Hindustan Motors
- b. Maruti Udyog
- c. Telco
- d. Mahindra & Mahindra

28. Which of the following personalities would you associate with the ad campaign of NIIT?

- a. Sachin Tendulkar
- b. V. Anand
- c. Leander Paes
- d. Rahul Dravid

General AWARENESS

29. The Internet telephony service provided by the Bharat Sanchar Nigam (BSNL) is:

- a. CellOne
- b. Voice Phone
- c. Web Fone
- d. Web One

30. Which of the following personalities is also known as the 'Steel King'?

- a. Swraj Paul
- b. L.N. Mittal
- c. Ratan Tata
- d. A.V. Birla

31. J. Walter Thompson is once again the name of which of the following advertisement agencies?

- a. Lowe-Lintas
- b. Hindustan Thompson Associates
- c. Saatchi & Saatchi
- d. Mudra Communications

32. All the villages of this state have been covered under e-governance through a website called Gramsampark.com. Name the state:

- a. Karnataka
- b. Maharashtra
- c. Madhya Pradesh
- d. Andhra Pradesh

33. According to the CPI-2002 by Transparency International, which of the following was the least corrupt nation?

- a. Denmark
- b. New Zealand
- c. Finland
- d. Iceland

34. India's rank in the FDI performance index, according to the World Investment Report 2002 is:

- a. 104
- b. 108
- c. 113
- d. 119

35. This well-known investor was fined 2.2 million euros by a French court on charges of insider trading. He is:

- a. Nick Leeson
- b. Warren Buffett
- c. George Soros
- d. Richard Branson

36. Who is the chairman of Delhi Metro Rail Corporation (DMRC)?

- a. Sheila Dixit
- b. Madan Lal Khurana
- c. Vijay Kumar Goel
- d. E. Sreedharan

37. Which of the following companies is the producer of India's first eco-friendly tyre?

- a. MRF Tyres
- b. Birla Tyres
- c. Ceat Tyres
- d. JK Tyres

38. India's largest company in terms of sales and assets:

- a. National Thermal Power Corporation
- b. Oil & Natural Gas Corporation
- c. Indian Oil Corporation
- d. Bharat Petroleum Corporation

39. As 'Connecting people' is to Nokia, ... is to BSNL:

- a. Connecting the World
- b. Connecting India
- c. Connecting Breaths
- d. Connecting Lives

40. 'Anywhere Banking - from Kashmir to Kerala' is the line associated with which of the following banks?

- a. Bank of India
- b. Oriental Bank of Commerce
- c. The Jammu & Kashmir Bank
- d. Punjab National Bank

41. In compliance with a Supreme Court directive, this state banned mining in the Aravalli ranges. Identify it from the given options:

- a. Bihar
- b. Uttar Pradesh
- c. Rajasthan
- d. Madhya Pradesh

42. 'Simply irresistible' is a tagline attached with which of the following brands of apparel?

- a. Parx
- b. Peter England
- c. Byford
- d. ColorPlus

43. Which of the following is NOT matched properly (Cellular Service: Investor)?

- a. Spice Telecom: B.K. Modi

- b. Airtel: Shashi Ruia
- c. RPG Cellular: Harsh Goenka
- d. Escotel Mobile: Rajeev Chandrasekhar

44. Who is the managing director of Microsoft Corporation (India)?

- a. Manoj Chugh
- b. Avtar Saini
- c. Rajiv Kaul
- d. Abraham Thomas

45. The new book 'Leadership' is written by:

- a. Rudolph W. Giuliani
- b. Jack Welch
- c. Bill Gates
- d. Warren Buffet

46. 'Your guide to good living', is a punchline associated with which of the following magazines?

- a. Outlook Traveller
- b. India Today Plus
- c. Inside Outside
- d. Reader's Digest

47. Identify the woman who has been chosen by 'Fortune' as one of the world's 50 most powerful women in business:

- a. Naina Lal Kidwai
- b. Lalita Gupta
- c. Komal Chhabria
- d. Kalpana Morparia

48. 'Touching lives' is a tagline that you would associate with:

- a. Escorts Hospitals
- b. Apollo Hospitals
- c. General Electric
- d. Reliance Industries

49. Who is the chairman and managing director of the National Thermal Power Corporation (NTPC)?

- a. V.S. Jain
- b. S. Behuria
- c. C.P. Jain
- d. Prithpal Singh

50. 'Managing in the Next Society' is a book authored by:

- a. Tom Peters
- b. Peter F. Drucker
- c. Jeffery R. Immelt
- d. Larry J. Ellison

51. Which of the following brands of toothpaste has

recently launched dental insurance by tying up with New India Assurance Company?

- a. Colgate
- b. Pepsodent
- c. Close-Up
- d. Aqua Fresh

52. Quaker Oats is a brand owned by:

- a. Coca-Cola
- b. Pepsi Co. Inc
- c. Cadbury Schweppes
- d. Nestle

53. Radio Mirchi is the name of a radio channel owned by:

- a. RPG Enterprises
- b. The Times Group
- c. Reliance
- d. Tata

54. 'Zero Gravity' is the name of the latest international range of jeans launched by:

- a. Levi Strauss
- b. Levi's
- c. Lee Jeans
- d. Wrangler

55. Camay soap is a brand owned by:

- a. P&G
- b. HLL
- c. Marico
- d. Godrej

56. Which of the following insurance players has recently tied up with Indiatimes.com to create awareness and distribute its products specially among the netizens?

- a. ING-Vysya Life
- b. HDFC-Standard Life
- c. ICICI-Prudential Life
- d. Iffco-Tokio

57. Associated British Foods Plc agreed to buy the \$267.2 million worth of food and beverage business from:

- a. Glaxo
- b. Novartis
- c. Nestle
- d. Cadbury

58. According to the Tenth Plan, which of the following represents the targeted amount of foreign direct investment per annum?

- a. \$3.5 billion

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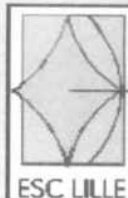
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General AWARENESS

- b. \$5 billion
- c. \$6.5 billion
- d. \$7.5 billion

59. Which of the following represents the disinvestment target set by the government for the Tenth Plan period?

- a. Rs 36,000 cr
- b. Rs 48,000 cr
- c. Rs 58,000 cr
- d. Rs 78,000 cr

60. The net profit earned by Reliance Industries, including the financials of Reliance Petroleum, for the year 2001-2002 is:

- a. Rs 1,828 cr
- b. Rs 2,816 cr
- c. Rs 3,243 cr
- d. Rs 4,489 cr

61. The annual per capita income of India is:

- a. \$210
- b. \$325
- c. \$440
- d. \$580

62. Who is the current chairman of Telecom Regulatory Authority of India (Trai)?

- a. M.S. Verma
- b. N. Rangachari
- c. Sam Pitroda
- d. J. Ballabha

63. Which of the following accounting majors has recently changed its name to BearingPoint?

- a. Arthur Andersen
- b. Ernst & Young
- c. KPMG
- d. PricewaterhouseCoopers

64. 'The pulse of business' is an adline associated with which of the following courier services?

- a. FedEx
- b. Elbee
- c. DHL Worldwide Express
- d. BlazeFlash

65. Goodyear is a tyre manufacturing giant from which of the following countries?

- a. UK
- b. US
- c. Germany
- d. France

66. Identify the cigarette

brand that is not from ITC:

- a. Wills
- b. Gold Flake
- c. Classic
- d. All of them are brands of ITC

67. Who is the chairman of America Online (AOL), the world's largest media company?

- a. Steve Case
- b. Richard Parsons
- c. Jeff Bewkes
- d. Don Logan

68. Bart Hellemans was in the news recently. Why?

- a. He is the new chief executive officer of Nestle India
- b. He is the new managing director and chief executive officer of Vysya bank
- c. He is the new chief executive officer of Citibank (India)
- d. He is the new chief executive officer of Cadbury India

69. The Parker range of pens in India is manufactured and marketed by:

- a. Reynolds
- b. Luxor
- c. Gillette
- d. Cello

70. Which of the following personalities would you associate with the ad campaigns of Liril, Surf and Lipton Tea?

- a. Alyque Padamsee
- b. Pritish Nandy
- c. Shunu Sen
- d. Piyush Pandey

71. 'Care at every stage of life' is the punchline associated with:

- a. State Bank of India
- b. Indus Ind Bank
- c. HDFC Bank
- d. Bank of Baroda

72. According to the latest Fortune 500 list, which of the following companies is at top?

- a. GE
- b. Wal-Mart
- c. Cisco
- d. IBM

73. The world's highest paid chief executive officer is:

- a. Scott McNealy
- b. Larry J. Ellison

- c. Bill Gates
- d. John T. Chambers

74. The managing director of Titan Industries is:

- a. Shailesh Sheth
- b. Xerxes Desai
- c. Bhaskar Bhat
- d. Suketu Shah

75. Excel is a pre-paid card from:

- a. BSNL
- b. AirTel
- c. BPL Mobile
- d. Hutch

76. Which of the following Indian states is using the adline, 'Give time a break', to promote tourism?

- a. Goa
- b. Orissa
- c. Himachal Pradesh
- d. Pondicherry

77. Which of the following personalities is the president of Ficci?

- a. J. Vasudevan
- b. Arun Kapoor
- c. A.C. Muthiah
- d. R.S. Lodha

78. Dawn is the name of a motorbike model from:

- a. TVS Motors
- b. Bajaj Auto
- c. Hero Honda Motors
- d. Kinetic Engineering

79. India's first indigenous small car (100% 'swadeshi') is:

- a. Premier Padmini
- b. Maruti 800
- c. Tata Indica
- d. Reva

80. This bank started as the International Banking Corporation in Calcutta in 1902, and was in the news in 2002 for completing its 100 years in India. Which bank are we talking about?

- a. Standard Chartered Bank
- b. HSBC
- c. Citibank
- d. ABN Amro Bank

81. Which of the following car models has been conferred with the 'Car of the Year 2003' award by CNBC and Auto Car India?

- a. Accent

- b. Scorpio
- c. Qualis
- d. Astra

82. Which of the following personalities is the treasury secretary of US?

- a. Paul O' Neill
- b. John Snow
- c. Harvey Pitt
- d. Robert Zoellick

83. Which of the following companies was honoured with the 'Asia's best company' award by 'Global Finance' magazine?

- a. TCS
- b. Infosys
- c. Wipro
- d. HCL Technologies

84. Which of the following represents the target year by which the government plans to interlink the major rivers of India?

- a. 2010
- b. 2012
- c. 2014
- d. 2016

85. 'Direct from Dell' is the name of a bestseller by Michael Dell, the chairman & CEO of which of the following computer manufacturers?

- a. IBM
- b. HP
- c. Compaq
- d. None of these

86. Getz is the name of a car model that is soon to be launched by:

- a. Toyota Motors
- b. Ford Motor
- c. Hyundai Motors
- d. Honda Motors

87. Bajaj Allianz General Insurance is a joint venture between Bajaj Auto Group of India and Allianz group, which is based in:

- a. UK
- b. US
- c. Germany
- d. France

88. Who is the chairman of BSES?

- a. Satish Seth
- b. S.C. Gupta
- c. J.P. Chalasani

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General AWARENESS

d. Anil Ambani

89. Lacoste is a famous:

- a. Leather apparel brand from Italy
- b. Apparel brand from Germany
- c. Apparel brand from France
- d. Apparel brand from Russia

90. The name of the global fund floated by Rana Talwar, former CEO of Standard Chartered, is:

- a. CDC Fund
- b. Chrysalis Capital
- c. Sabre Capital
- d. Alliance Capital

91. Which of the following companies now owns Spectramind?

- a. HCL Technologies
- b. Infosys Technologies
- c. Reliance Infocomm
- d. Wipro Technologies

92. 'Enriched with style. Driven by intelligence', is the punchline associated with:

- a. Opel Vectra
- b. Toyota Camry
- c. Fiat Siena
- d. Mahindra Bolero

93. Shunu Sen, who died recently, was a very famous personality in the field of:

- a. Literature
- b. Sports
- c. Marketing
- d. Dramatics

94. 'Ride it to believe it', is the punchline you would associate with which brand of motorbikes?

- a. Freedom
- b. Energy
- c. Ambition
- d. Enticer

95. 'Who Moved My Cheese' is a best-selling work of:

- a. Chris Daffy
- b. Scott Adams
- c. Spencer Johnson
- d. M. Scott Peck

96. This electronics giant unveiled the Matchline colour television series with 'Pixel plus' technology recently. Identify it from the given options:

- a. Sony

- b. LG
- c. Samsung
- d. Philips

97. According to a recent agreement between Telco – the manufacturer of Indica – and a British group, Indica will soon be sold in Britain. What is the name of the British group:

- a. Polo
- b. Rover
- c. Charger
- d. Comfo

98. Which of the following represents the name of the supercomputer developed by C-DAC, that can perform one trillion calculations per second?

- a. Param I
- b. Param Sutra
- c. Param Ganana
- d. Param Padma

99. Which of the following represents the name of the rural water scheme launched by the Prime Minister on 25 December 2002?

- a. Jalaj
- b. Swadham
- c. Swajaldhara
- d. Amrit Dhara

100. 'Pure bhi Pura bhi', an ad campaign featuring cine star Jackie Shroff has been launched by:

- a. IOC
- b. IBP
- c. HPCL
- d. ONGC

CURRENT AFFAIRS

1. Busan Asiad saw participation from as many as... countries.

- a. 42
- b. 43
- c. 44
- d. 45

2. Which of the following countries did not win any medal at the Busan Asiad?

- a. Afghanistan
- b. Oman
- c. Laos
- d. Pakistan

3. A total of... medals were given at the Busan Asiad:

- a. 1,350
- b. 1,380
- c. 1,390
- d. None of these

4. Which is the first Indian state to have women commandoes in the police force?

- a. Karnataka
- b. Tamil Nadu
- c. Kerala
- d. Andhra Pradesh

5. Which city will host the 15th Asiad in 2006?

- a. Muscat
- b. Doha
- c. Manila
- d. Kolkata

6. Name the Indian police officer who is also civilian police adviser in the department of peace-keeping at the United Nations?

- a. Amod Kanth
- b. Ved Marwah
- c. Kiran Bedi
- d. None of these

7. Name the special judge who sentenced the two Jaish-e-Mohammad terrorists and convicted a Delhi University lecturer to death in the 'Parliament attack' case:

- a. Justice Anand
- b. Justice S.N. Dhingra
- c. Justice S.N. Sondhi
- d. None of these

8. Who heads the taskforce created for linking of rivers?

- a. Soli Sorabjee
- b. Suresh Prabhu
- c. A.C. Sethi
- d. None of these

9. Which state has banned religious conversions?

- a. Kerala
- b. Tamil Nadu
- c. Andhra Pradesh
- d. Maharashtra

10. Who among the following parliamentarians has been appointed

'president for life' of the Inter-Parliamentary Union?

- a. Sushma Swaraj
- b. Najma Heptullah
- c. Vyjayanthimala Bali
- d. None of these

11. Name the world-renowned litterateur who criticised the Indian government for its mishandling of the Tehelka issue:

- a. Shashi Tharoor
- b. Vikram Seth
- c. V.S. Naipaul
- d. Salman Rushdie

12. According to a survey conducted by 'The Economist' on the levels of hardships faced by expatriates, Delhi figures in the:

- a. 44th place
- b. 100th place
- c. 121st place
- d. 29th place

13. Who won the first gold for India in the Busan Asiad?

- a. Neelam Jaswant Singh in discus throw
- b. Shiv Kumar in golf
- c. Anju Bobby George in long jump
- d. Sunita Rani in 1,500 m

14. Justine Pasek, who has been crowned Miss Universe after the crown was taken back from Oxana Fedrova of Russia, is:

- a. Miss France
- b. Miss Italy
- c. Miss Belgium
- d. Miss Panama

15. Name the artist, whose painting 'Celebration' fetched \$317,000 at a Christie auction in New York:

- a. Ganesh Pyne
- b. Paresh Maiti
- c. Manu Parekh
- d. Tyeb Mehta

16. Priya Tendulkar, who died of cardiac arrest, had become a household name because of 'Rajni', a serial directed by:

- a. Karan Razdan
- b. Basu Bhattacharya
- c. Basu Chatterjee
- d. Vijay Tendulkar

17. Name the Indian sportsperson honoured by the University of Massachusetts' Center for Indic Studies for his contribution to India as a

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NURTURING GLOBAL EXECUTIVES

General AWARENESS

cricketer:

- a. Sachin Tendulkar
- b. Kapil Dev
- c. Ravi Shastri
- d. Sunil Gavaskar

18. Name the fictional character who has been given an honorary fellowship by the Royal Society of Chemistry, London — the first honour of its kind?

- a. Hercule Poirot
- b. Miss Marple
- c. Sherlock Holmes
- d. None of these

19. Name the journalist who has been awarded the International Nuremberg Human Rights prize:

- a. Kuldeep Nayyar
- b. Vir Sanghvi
- c. Barkha Dutt
- d. Teesta Setalvad

20. Name the famous Indian composer who has sued rap star Truth Hurts for plagiarism:

- a. Bappi Lahiri
- b. A.R. Rahman
- c. Anu Malik
- d. O.P. Nayyar

21. Which state was embroiled in a controversy over its campaign to promote use of soaps to wash hands — a campaign that failed to take off because of protests from Leftist parties?

- a. West Bengal
- b. Kerala
- c. Nagaland
- d. Manipur

22. Name the actor who has got the Cross of the Order of Merit (Bundesverdienstkreuz) from the ambassador of Germany, on behalf of the President of the Federal Republic of Germany:

- a. Amrish Puri
- b. Om Puri
- c. Mohan Agashe
- d. Naseeruddin Shah

23. "What has happened in Gujarat will happen in other parts of the country." Name the right-wing figure who made this remark, inviting

strong criticism from Amnesty International:

- a. Bal Thackeray
- b. Narendra Modi
- c. Ashok Singhal
- d. None of these

24. The world's largest observatory established at Hanle, Ladakh, is:

- a. 14,800 ft above sea level
- b. 16,000 ft above sea level
- c. 17,000 ft above sea level
- d. 18,000 ft above sea level

25. Who are the co-authors of 'Journey With a Hundred Strings — My Life in Music'?

- a. Ravi Shankar and Anoushka Shankar
- b. Ravi Shankar and Zakir Hussain
- c. Shiv Kumar Sharma and Hari Prasad Chaurasia
- d. Shiv Kumar Sharma and Ina Puri

26. Which state government has been directed by the Supreme Court to pay a hefty sum as fine for neglecting ecology?

- a. Uttar Pradesh
- b. Himachal Pradesh
- c. Madhya Pradesh
- d. Tamil Nadu

27. Vishwanathan Anand has won the World Cup Chess tournament defeating Rustam Kasimdzhanov of:

- a. Russia
- b. Uzbekistan
- c. Turkmenistan
- d. Poland

28. Which country-head has granted an amnesty to all political prisoners?

- a. Moammar Gaddafi
- b. Saddam Hussain
- c. Pervez Musharraf
- d. None of these

29. Name the writer who got one-year imprisonment for casting aspersions on Islam:

- a. Taslima Nasreen
- b. Tehmina Durrani
- c. Quratul ain Haider
- d. Jemima Khan

30. Former US President Jimmy Carter, Nobel Peace Prize winner, had steered the historic 1978 Camp David

Accord between:

- a. Israel and Lebanon
- b. Lebanon and Turkey
- c. Israel and Egypt
- d. Egypt and Ethiopia

31. Who is the narrator of the latest in the series of Karadi Tales — Birth of Ganesha?

- a. Naseeruddin Shah
- b. Farooq Sheikh
- c. Aamir Khan
- d. Girish Kamad

32. Leading physicists of Stanford University, including three Nobel laureates, have written to the President of India demanding action against B.S. Rajput, vice-chancellor of an Indian university for his alleged acts of plagiarism. Which university does Rajput represent?

- a. Rajasthan University
- b. Devi Ahilya University
- c. Mumbai University
- d. Kumaon University

33. Of the following, which actress got a non-bailable arrest warrant for failing to appear in the court in a case of alleged obscenity?

- a. Sonali Bendre
- b. Mamta Kulkarni
- c. Kareena Kapoor
- d. Mahima Chaudhary

34. In the 80-page charge-sheet that the Mumbai police filed against Salman Khan in 2002, how many offences were listed?

- a. 10
- b. 6
- c. 4
- d. 3

35. For the much talked about river linking project, the consent of which of the following countries is required?

- a. Bangladesh
- b. Bangladesh and Bhutan
- c. Bangladesh and Nepal
- d. Bangladesh, Nepal and Bhutan

36. Which city in Uttar Pradesh has been renamed as Chhatrapati Sahuji Maharaj Nagar?

- a. Meerut
- b. Amethi
- c. Lucknow
- d. Allahabad

37. Which premier higher education body of India celebrated its golden jubilee in Silicon Valley in January 2003?

- a. UGC
- b. IIT
- c. IIM
- d. None of these

38. Name the Australian cricketer who was recently banned from international cricket for one year for having used banned drugs.

- a. Shane Warne
- b. Darren Lehmann
- c. Ricky Ponting
- d. None of these

GENERAL KNOWLEDGE

1. Which of the following schedules of the Indian Constitution deals with the 18 regional languages recognised by it?

- a. Third Schedule
- b. Fifth Schedule
- c. Eighth Schedule
- d. Tenth Schedule

2. The Indian National Congress was founded in:

- a. 1876
- b. 1880
- c. 1885
- d. 1890

3. Who was the first chairman of the Rajya Sabha?

- a. C. Rajagopalachari
- b. V.V. Giri
- c. S. Radhakrishnan
- d. Maulana Abdul Kalam Azad

4. Chiraw is a popular dance form of:

- a. Arunachal Pradesh
- b. Uttarakhand
- c. Mizoram
- d. Manipur

5. Which of the following is not a missile?

- a. Akash
- b. Trishul
- c. Nag
- d. All of them are missiles

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General AWARENESS

for Atomic Research is in:

- a. Bangalore (Karnataka)
- b. Kalpakkam (Tamil Nadu)
- c. Hyderabad (AP)
- d. Mumbai (Maharashtra)

7. Equinoxes occur when

- a. The days are longer than the nights
- b. The nights are longer than the days
- c. The nights and days are equal in length
- d. The difference between the length of the nights and days is the largest

8. Which of the following is not an atmospheric layer?

- a. Stratosphere
- b. Mesosphere
- c. Lithosphere
- d. Troposphere

9. Rand is the currency of:

- a. Poland
- b. South Africa
- c. Kenya
- d. Sudan

10. Telex is the abbreviation of:

- a. Telephone forex
- b. Telegraph exchange
- c. Telephone exchange
- d. Telecom exchange

11. India and Afghanistan are separated by:

- a. MacMohan Line
- b. Durand Line
- c. Radcliffe Line
- d. Siegfried Line

12. Which is the bird that can fly backwards?

- a. Hummingbird
- b. Sparrow
- c. Woodpecker
- d. Thumb bird

13. The headquarters of the World Bank are in:

- a. London
- b. New York
- c. Washington
- d. Geneva

14. When is World Red Cross Day celebrated?

- a. May 8
- b. July 11
- c. September 27
- d. October 3

15. Dactylogy is the study of:

- a. Cells

b. Parasites

- c. Origin of words
- d. Finger prints

16. The instrument used for measuring the level of humidity is called:

- a. Hydrophone
- b. Hydrometer
- c. Hygrometer
- d. Hydroscope

17. Malaria, kala azar and amoebic dysentery are diseases caused by:

- a. Bacteria
- b. Protozoa
- c. Virus
- d. Fungi

18. Which of the following is the basic unit of computers?

- a. Bit
- b. Byte
- c. Bite
- d. Byt

19. 'Devdas' is the famous work of:

- a. Rabindranath Tagore
- b. Sharat Chandra Chatterjee
- c. Munshi Prem Chand
- d. Jai Shankar Prasad

20. Who is credited with the development of the theory of psychoanalysis?

- a. Adler
- b. Jung
- c. Harney
- d. Freud

21. A synagogue is the place of worship of which religion?

- a. Zoroastrianism
- b. Shintoism
- c. Judaism
- d. Taoism

22. As cricket is to pitch, baseball is to:

- a. Court
- b. Rink
- c. Link
- d. Diamond

23. A fuse wire is characterised by:

- a. Low melting point and high resistance
- b. Low melting point and low resistance
- c. High melting point and high resistance
- d. High melting point and low resistance

resistance

24. Who is known as the Father of Geometry?

- a. Pythagoras
- b. Euclid
- c. Aristotle
- d. Thales

25. The first woman to reach the North Pole was:

- a. Margaret Mitchell
- b. Marlene Dietrich
- c. Shirley Temple
- d. Fran Phipps

26. Which of the following is the smallest Indian state in terms of area?

- a. Goa
- b. Arunachal Pradesh
- c. Manipur
- d. Mizoram

27. The Prime Meridian passes through:

- a. New York
- b. Greenwich
- c. Greenland
- d. Ujjain

28. In India, rain forests are mainly found in:

- a. The Deccan region
- b. The North-east region
- c. The South-west region
- d. The Malabar region

29. In which state of India is the Kanha National Park situated?

- a. Madhya Pradesh
- b. Uttar Pradesh
- c. Rajasthan
- d. Karnataka

30. The International Atomic Energy Association (IAEA) is headquartered in:

- a. Paris
- b. Geneva
- c. Vienna
- d. New York

31. In GDR, the expansion of 'D' is:

- a. Debit
- b. Deposit
- c. Depository
- d. Depreciation

32. Which of the following personalities is associated with medicine?

- a. Panini
- b. Bharat Muni
- c. Dhanvantari

d. Bhavabhuti

33. Which is the first open university in India?

- a. AP University
- b. IGNOU
- c. Hyderabad Open University
- d. Annamalai Open University

34. Panchatantra is the famous creation of:

- a. Vishakhadutt
- b. Banabhatt
- c. Vishnu Sharma
- d. Kalidasa

35. In which state is the Gol Gumbaz?

- a. Madhya Pradesh
- b. Andhra Pradesh
- c. Karnataka
- d. Orissa

36. The language used in Sangam literature was:

- a. Prakrit
- b. Tamil
- c. Pali
- d. Sanskrit

37. The first Muslim ruler of Delhi was:

- a. Razia Sultan
- b. Giasuddin Balban
- c. Allauddin Khilji
- d. Qutbuddin Aibak

38. One of the following is known as the 'Saint of Dakshineswar':

- a. Swami Vivekananda
- b. Chaitanya Mahaprabhu
- c. Ramkrishna Paramhansa
- d. Swami Dayanand Saraswati

39. Airavat is the vehicle of:

- a. Indra
- b. Kubera
- c. Yamraj
- d. Parvati

40. Fundamental Rights can be amended by which of the following:

- a. Supreme Court
- b. President
- c. Parliament
- d. None of these

41. Which of the following amendments is responsible for the introduction of Fundamental Duties in the Constitution?

- a. 42nd Amendment
- b. 48th Amendment
- c. 56th Amendment



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BT Cosmode Survey 2000)

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General AWARENESS

d. 62nd Amendment

42. The Chief Justice of the high courts is appointed by:

- Chief minister of the state
- Chief Justice of India
- President of India
- Governor of the state

43. In Physics, what is considered to be the fourth state of matter?

- Aerosol
- Gel
- Plasma
- None of these

44. 'Veddass' are the inhabitants of:

- New Zealand
- South Africa
- Sri Lanka
- Siberia

45. New York is on the bank of the river:

- Mississippi
- Thames
- Hudson
- Tiber

46. The Mettur Dam is on:

- Krishna
- Cauvery
- Tungabhadra
- Mahanadi

47. The International Rice Research Institute (IRRI) is in:

- Thailand
- Malaysia
- Philippines
- India

48. Einstein won the Nobel Prize for his:

- Theory of Relativity
- Quantum Theory
- Photoelectric Effect
- Atomic Theory

49. Where are the headquarters of the European Union?

- Geneva
- Paris
- Berlin
- Brussels

50. Madhushala is a masterpiece by:

- Sumitra Nandan Pant
- Maithili Sharan Gupta
- Harivansh Rai Bachchan
- Suryakant Tripathi Nirala

51. Which Indian god, like Achilles, was vulnerable in the foot?

- Shiva
- Hanuman
- Rama
- Krishna

52. What question asked by Adolf Hitler was adopted by Larry Collins and Dominique Lapierre as a title of a book set during the World War II?

- Is it over?
- Is Paris burning?
- I'm the king
- Go for it

53. Which of Charles Dickens' novels is centred on the French Revolution?

- Great Expectations*
- David Copperfield*
- Pickwick Papers*
- A Tale of Two Cities*

54. Which is the only muscle of the body not attached at both ends?

- Ear
- Big toe
- Lips
- Tongue

55. Which astronomical body gets its name from a Greek term meaning 'long-haired'?

- Comet
- Saturn
- Milky way
- Asteroid

56. What Latin American style of dancing means 'to rub navels together' in Portuguese?

- Salsa
- Fox Trot
- Samba
- None of these

57. Where in the human body is the scapula located?

- Knee
- Shoulder
- Hip
- Skull

58. What is the name of the hill on which Rashtrapati Bhavan in New Delhi stands?

- Aravalli Hill
- Raisina Hill
- Satpura Hill
- None of these

59. The flightless bird, the kiwi, is native to which country?

- Australia
- Kenya
- New Zealand
- Cuba

ANSWERS:

AGRICULTURE

- | | |
|------|------|
| 1.c | 2.c |
| 3.c | 4.c |
| 5.a | 6.b |
| 7.d | 8.c |
| 9.c | 10.c |
| 11.c | 12.d |
| 13.d | 14.d |
| 15.d | 16.c |
| 17.a | 18.b |
| 19.c | 20.d |
| 21.c | 22.c |

BUSINESS AFFAIRS

- | | |
|--------------------|------|
| 1.c | 2.c |
| 3.c | 4.d |
| 5.d | 6.c |
| 7.c | 8.d |
| 9.b | 10.c |
| 11.c | 12.b |
| 13.d | 14.c |
| 15.c | 16.d |
| 17.b | 18.b |
| 19.c | 20.a |
| 21.b | 22.c |
| 23.d | 24.c |
| 25.b | 26.d |
| 27.b | 28.b |
| 29.c | 30.b |
| 31.b | 32.c |
| 33.c | 34.d |
| 35.c | 36.b |
| 37.d | 38.c |
| 39.b | 40.c |
| 41.c | 42.a |
| 43.d (Rajan Nanda) | 44.c |
| 45.a | 46.b |
| 47.c | 48.b |
| 49.c | 50.b |
| 51.b | 52.b |
| 53.b | 54.c |
| 55.a | 56.c |
| 57.b | 58.d |
| 59.d | 60.c |
| 61.c | 62.a |
| 63.c | 64.c |
| 65.b | 66.d |
| 67.b | 68.b |
| 69.b | 70.c |
| 71.b | 72.b |
| 73.b | 74.c |
| 75.a | 76.d |
| 77.c | 78.c |

- | | |
|------|-------|
| 79.c | 80.c |
| 81.b | 82.b |
| 83.c | 84.d |
| 85.d | 86.c |
| 87.c | 88.d |
| 89.c | 90.c |
| 91.d | 92.a |
| 93.c | 94.a |
| 95.c | 96.d |
| 97.b | 98.d |
| 99.c | 100.b |

CURRENT AFFAIRS

- | | |
|------|------|
| 1.c | 2.b |
| 3.a | 4.b |
| 5.b | 6.c |
| 7.b | 8.b |
| 9.b | 10.b |
| 11.c | 12.c |
| 13.b | 14.d |
| 15.d | 16.c |
| 17.d | 18.c |
| 19.d | 20.a |
| 21.b | 22.c |
| 23.c | 24.a |
| 25.d | 26.b |
| 27.b | 28.b |
| 29.a | 30.c |
| 31.d | 32.d |
| 33.a | 34.a |
| 35.d | 36.b |
| 37.b | 38.a |

GENERAL KNOWLEDGE

- | | |
|------|------|
| 1.c | 2.c |
| 3.c | 4.c |
| 5.d | 6.b |
| 7.c | 8.c |
| 9.b | 10.b |
| 11.b | 12.a |
| 13.c | 14.a |
| 15.d | 16.c |
| 17.b | 18.a |
| 19.b | 20.d |
| 21.c | 22.d |
| 23.a | 24.b |
| 25.d | 26.a |
| 27.b | 28.b |
| 29.a | 30.c |
| 31.c | 32.c |
| 33.a | 34.c |
| 35.c | 36.b |
| 37.d | 38.c |
| 39.a | 40.c |
| 41.a | 42.c |
| 43.c | 44.c |
| 45.c | 46.b |
| 47.c | 48.c |
| 49.d | 50.c |
| 51.d | 52.b |
| 53.d | 54.d |
| 55.a | 56.c |
| 57.b | 58.b |
| 59.c | |

CAREER LAUNCHER CENTRES

Sl.No.	Centre	Phone no.	Address
1	Agra	(0562)2526681	Shop No.12, 1st Floor, Kailash Tower, Sanjay Place, Agra - 282002
2	Ajmer	(0145) 2624888	1st Floor Chaudhary Villa, No1 Shastri Nagar, Ajmer-305009
3	Allahabad	(0532) 2624846	B. N. G. Chambers, 1st Floor, 58, S.P. Marg, Civil Lines, Allahabad - 211001
4	Baroda	(0265) 2351447	201, Shree Dwarkesh Complex, 92/A Sampatrao Colony, Alkapuri, Baroda - 5
5	Bhilai	(0788) 5010076	Shop No. 159, 2nd Floor, New Civic Centre, Bhilai
6	Bhopal	(0755)2705508 / 2705309	HIG-8, Old Subhas Nagar, Bhopal - 462023
7	Bhubneshwar	0674-2545423	M-4/41, Acharya Vihar, Bhubaneswar-751013
8	Chandigarh	(0172) 706166 / 708655	SCO-77, Sector-17C, Chandigarh
9	Chennai	(044) 28154725 / 26	Rajalakshmi Mahal, 2nd Floor, 108, Sri Theyagaraya Road, Near Panagal Park, T. Ngr, Chennai-17
10	Dehradun	(0135) 2657583/2659823	18A/1, Subhas Road, Near Kanak Cinema, Dehradun -248001
11	Delhi	(011) 23358918 / 14 / 25	16/47, B Block, 1st Floor, Connaught Place, New Delhi - 110001
12	Gurgaon	0124-5081348 / 49 / 50	M - 39 (2nd Floor), Old DLF Colony, Gurgaon
13	Guwahati	(0361) 2660897/2660901	Near St. Mary's Convent, Above SBI, Chenikuthi Br., M.C. Road, Guwahati -781003
14	Gwalior	(0751) 5012004 / 5012005	F 2,3 Anand Deep Building, Above HDFC, 43, City Centre, Gwalior
15	Hyderabad	040 - 27894600 / 700	Panchasheela Towers, Unit # 2, Parklane, Secunderabad - 500003
16	Jaipur	(0141) 2380554	E-143, Ramesh Marg, C-Scheme, Jaipur - 302001
17	Jamshedpur	(0657) 2227321/2227866	32, Circuit House Area (Old) Jamshedpur -830001
18	Kanpur	(0512)2234879	Chamber No. 204, Asthana Towers, 2nd Floor, 117H-1/383, Pandu Nagar, Kanpur
19	Kolkata	(033)24617452/24656025	47-A Gariahat Above Traders Assembly Kolkata - 19
20	Lucknow	(0522) 2336526	2nd Floor, Palika Bazar, Kapurthala, Aliganj
21	Ludhiana	0161-2412601, 2412602	5th Floor, Surya Tower, Mall Road, Ludhiana - 141001
22	Moradabad	(0591) 2419634	1st Floor, Narain Kunj, Civil Lines, Moradabad
23	Mumbai	(022) 22063279/22066248	C/o Empons, 1st Floor, Kitab Mahal, Opp. New Excelsior Theatre, V.T. Mumbai-400 001
24	Nagpur	0712-5615792/2520489	Plot #173, Shivaji Nagar, Dharam Peth Extn., Nr. Employment Office, Nagpur-10
25	Nashik	9422256170	Sri Mukatangan Building, 1st Floor, Model Colony Bus Stop, College Road, Nashik - 422005
26	Patna	(0612)2220266	404, Samriddhi Complex, S.P. Verma Road, Patna -1
27	Pune	(020) 4001810/4029499/4018895	Office No. 1, Rachana Avenue, F.C. Road, Next to Sagar Arcade, Pune
28	Ranchi	(0651) 2310104	H-Block, First Floor, Sainik Bazar, Main road, Ranchi
29	Rourkela	0661-2646205	STPI Complex, Sector 5, Rourkela - 769003
30	Trivandrum	(0471) 2322914	TC 14/1679 (Behind Sanskrit College), Palayam, Trivandrum - 695034
31	Varanasi	(0542)2222915	D, 58/20-B, 1st Floor, Sri Radha Krishna Complex, Sagra, Mehmoorganj Rd., Varanasi-221010
32	Bangalore	080 - 6553211	Subhasri Buildings, 396/85, 11th Main, 3rd Block, Jaynagar, Bangalore -1

What's your 'Brand Awareness Quotient'? Do you know the name of the world's biggest company? Go through this list and update your knowledge on 'facts that matter' in the entrance tests of leading B-schools

BRANDS & COMPANIES

PASSENGER CARS

COMPANY	BRANDS
Maruti	(i) Maruti 800 (ii) Omni (iii) Baleno (iv) Zen (v) Esteem (vi) WagonR (vii) Gypsy (viii) Versa (ix) Alto
Honda	(i) City (ii) Accord
Fiat	(i) Siena (ii) Uno (iii) Palio (iv) Adventure
Daewoo	(i) Matiz (ii) Cielo (iii) Nexia
Mercedes Benz	(i) C-class (ii) E-class (iii) S-class (iv) M-class
Ford	(i) Ikon (ii) Escort (iii) Mondeo
Mitsubishi	(i) Lancer (ii) Pajero
Hindustan Motors	(i) Ambassador (ii) Contessa (iii) Rural Transport Vehicle (RTV)
Hyundai	(i) Sonata (ii) Accent (iii) Santro
Tata	(i) Indica (ii) Sierra (iii) Safari (iv) Sumo (v) Indigo
Mahindra & Mahindra	(i) Commander (ii) Bolero (iii) Armada (iv) Pickup (v) Voyager (vi) Scorpio (vii) Marshal (viii) MaXX
Toyota	(i) Qualis (ii) Corolla (iii) Camry (iv) Corona (v) Land Cruiser

MOTORBIKES

Bajaj	(i) Caliber (ii) Eliminator (iii) Boxer (iv) Byk
LML	(i) Adreno (ii) Energy (iii) Freedom
Hero Honda	(i) Splendor (ii) Dawn (iii) CBZ (iv) Passion (v) Ambition
Yamaha	(i) CruxR (ii) YBX (iii) RX-135 (iii) Enticer (iv) Libero
TVS	(i) Victor (ii) Fiero (iii) Max 100
Kinetic Engg	(i) Challenger (ii) Boss (iii) GF 125 (iv) Aquila
Royal Enfield	(i) Thunderbird Cruiser (ii) Bullet (iii) Machismo (iv) Electra (v) Lightning

SCOOTERS

Bajaj	(i) Chetak (ii) Super (iii) Legend (iv) Sunny (v) Scooty (iv) Saffire
LML	(i) NV (ii) Select
Honda	(i) Activa (ii) Dio
Kinetic	(i) Marvel (ii) Nova

COMPUTER CHIPS

IBM+Intel	Itanium
AMD	Athlon
Intel	Pentium I, II, III, IV

TELEVISIONS

COMPANY	BRANDS
Sony	Wega
Sansui	Combi
Samsung	Plano
BPL	Matrix, Studio Line, Prima
Videocon	Max, Bazoomba, Arena, Challenger, ITV
Onida	Black, KY Thunder, NV, Marvel, Smart Series
LG	Flatron, XCanvas
Sansui	Flatron

PACKAGED WATER

Parle	Bisleri, Bailey
Coca-Cola	Kinley
Pepsi	Aquafina
Nestle	Pure Life
Mount Everest	Himalaya
Mineral Water	

MISCELLANEOUS

Reebok	Traxstar (Shoes)
Nike	Cole Haan (Leather brand)
Raymond	Park Avenue/Parx/Manzoni/ColorPlus (Shirts)
Voltas	Verdant (Airconditioner)
Whirlpool	Icemagic (Refrigerator)
HCL	Ezeebee (Internet device)
Jyothi Laboratories	Ujala (Liquid blue)
Procter & Gamble	Ariel (Washing powder)
Acer	Blade (Computer server)
Johnson & Johnson	Coldarin (Drug)
Coca-Cola	Shock (Energy drink)
Morpen Laboratories	Burnol
Parle Agro	N-Joi (Dairy product)
Levi Strauss	Dockers (Clothing)
Kwality Walls	Cornetto (Ice-cream)
Rasna	Utsav (Healthy refreshing drink)
LG	Plasma Gold (Airconditioners)
Pepsi	Slice (Soft drink variant)
Novartis	Voveran (Drug)
GlaxoSmithKline	Horlicks (Health drink)
ITC	Aashirvad (Atta brand)
Procter & Gamble	Pantene (Shampoo)
Coca-Cola	Georgia (Coffee and tea brand)
Coca-Cola	Fanta (Soft drink)
Coca-Cola	Sunfill (Soft drink product)
BPCL	Speed (Petrol brand)
Godrej	Dreamwash (Washing machine)
HPCL	Power, Turbojet (Fuel brands)
IOC	Servo (Engine oil)/Premium (Petrol brand)
Kellogg's	Cheez-It (Cheese biscuits)
Britannia	Pure Magic (Cookies)

BRANDS & COMPANIES

ELECTRONIC COMPANIES

ADLINES	COMPANY
Believe in the best	BPL
Pure passion	Aiwa
Let's make things better	Philips
The future is ez	LG Electronics
Digitally yours	LG
Better than the best	Sansui
Connecting people	Nokia
The power to create	Epson
Breathe easy	Blue Star
We bring good things to life	General Electric
AC's with IQ	Voltas Airconditioners
Reality digitally enhanced	Canon
The document company	Xerox
The only healthy TV	Samsung's Bio TV

IT COMPANIES

Inspiration technology	Compaq
Information anywhere	Sybase
Solutions for a small planet	IBM
Where do you want to go today?	Microsoft
The computer inside	Intel
The power of macroprocessing	Intel
Software powers the internet	Oracle
Architect of an Internet world	Alcatel
Applying thought	Wipro
Beyond the obvious	TCS
Powered by intellect, driven by values	Infosys Technologies
Experience convergence	NOW
The power to change	Novell
We hear you	Acer
Empowering people	Acer
Making the Internet work for you	Sify
Empowering the Internet generation	Cisco
Invent	HP
We make the Net work	Sun Microsystems
Take it to the n th	Sun Microsystems
Throughput computing	Sun Microsystems
The power of precision	Polaris Software
The power to be your best	Apple
Think different	Apple

AUTOMOBILES

Rediscover luxury	Hyundai Sonata
The flight of German engineering	Opel
Sleek silent spirited	Baleno Altura
The future of the automobile	Mercedes Benz
More car per car	Indica V2
Affordable luxury	Hyundai Accent
We are listening	Hyundai
Improving the quality of life	Tata
Driven by passion	Fiat
The josh machine	Ford Ikon
Move ahead in luxury	Maruti Esteem
Gem of an engine, jewel of a car	Honda City
Makes perfect sense	Honda City
Your new experience of motoring	Toyota
Own the road	Mitsubishi Lancer
The ultimate driving machine	BMW
India's favourite family car	Santro
Desh ki dhadkan	Hero Honda Motors India
Two luxury cars in one	Maruti Versa

ADLINES

Refined aggression
Technology. To the max
The science of comfort
Get noticed
Feeling at home
Nothing else will do
More smiles per hour
Rev your imagination
No boundaries
End of discussion
Definitely male
Make your own road
Spoil yourself

COMPANIES

Ford Mondeo
Fiat Palio
Opel Astra
Fiat Siena
WagonR
Mahindra Scorpio
TVS Victor
Accent Viva
Ford Motor
Honda Accord
Bajaj Pulsar
Tata Safari
Tata Indigo

AIRLINES

The most friendly airlines	Austrian Airlines
The heart of Asia	Cathay Pacific
Your home in the sky	Indian Airlines
A great way to fly	Singapore Airlines
There is no better way to fly	Lufthansa
The joy of flying	Jet Airways
Emotionally yours	Air Sahara
Smooth as silk	Thai Airways
You are our world	Sri Lankan Airlines
It's time to change the way you look at things	British Airlines

FINANCIAL INSTITUTIONS

With You - All the way	State Bank of India
...the name you can bank upon	Punjab National Bank
Where money lives	Citibank
We make banking a pleasure	ICICI Bank
We cover you. At every step of life	ICICI Prudential Life Insurance
We know India better	LIC
Beyond Expectations	Royal Sundaram
India's largest non-life insurance company	New Indian Assurance Company
Experience a new way	Global Trust Bank
What can I do for you	IDBI
Good people to bank with	Union Bank of India
Service that makes you smile	HDFC Standard Life Insurance
With us you are sure	SBI Life Insurance Co.
The world's local bank	HSBC
Experience relationship banking	Vysya Bank
Serving to grow. Growing to serve	Canara Bank
Kal par control	Aviva (Life Insurance Co.)
The life you deserve	Iffco-Tokio
Where every individual is committed	Oriental Bank of Commerce
More than a fund. A friend	IL&FS (mutual fund)
Quality in everything we do	Ernst & Young
The 100% money manager	DSP Merrill Lynch

MEDIA

Let Truth Prevail	The Times of India
Live Smart	Hindustan Times
Unputdownable	The Telegraph
Intelligent Information	Business Standard
Magazine of the New Economy	Businessworld
The magazine of the corporate world	Business India
For managing tomorrow	Business Today
Be the first to know	CNN

BRANDS & COMPANIES

ADLINES	COMPANY
Profit from it	CNBC India
Internet ka dum maximum	Rediff.com
It's all about money, honey	Indiainfoline.com
Makes the point	Indian Express
The compelling truth	Outlook
Making sense of it all	BBC World
The power of knowledge	The Economic Times
Why settle for less	The Statesman
Yehi sahi hai	Amar Ujala

TOBACCO COMPANIES

Quality that's forever	Gold Flake
Live life Kingsize	Four Square
Made for each other	Wills
Discover a passion	Wills Classic
Enduring value	ITC

MISCELLANEOUS

Undress code for men	Rivolta
Become what you are	Lacoste
A grip on the future	Bridgestone tyres
Bond with the best	Reid Et Taylor
A Celebration of Life	Digjam
The complete man	Raymond
The sheer joy of creating originals	Parle
Do you have it in you?	Indian Army
The soul of India	Orissa
God's own country	Kerala

ADLINES	COMPANY
Pulse of business	DHL
The taste of India	Amul
The sign of excellence	Omega
Caring for you... for life	Max Healthcare
Making tomorrow brighter	ONGC
The symbol of partnership	Chevron
Setting the standards	Airbus
Forever new frontiers	Boeing
Information for everyone	Applied Materials
Growth is life	Reliance Industries
The technology that drives the world	Bridgestone
Expertise with responsibility	Bayer
Capitalists' tool	Forbes
The mark of honesty	Peter England (shirts)
Our challenge is life	Aventis (pharma company)
Vision beyond tomorrow	Indian Oil Corporation
Boond boond mein vishwas	Kinley
Connecting India	BSNL
Life is our life's work	Pfizer
Car radials with Pirelli technology	Birla Tyres
Original European jeanswear	Lee Cooper
Simply the best	HBO
Your best buy in aluminium	Nalco
Building telecom, building partnerships	Bharti
The affordable cellular service	Dolphin
We add value to life	Indal
A picture of health	Wockhard
Endless possibilities	Enron

TOP FORTUNE 500 COMPANIES*

COMPANY	CEO
Wal-Mart Stores	H. Lee Scott Junior
Exxon Mobil	Lee R. Raymond
General Motors	G. Richard Wagoner Jr.
Ford Motor	William Clay Ford Jr.
Enron	Stephen F. Cooper
General Electric	Jeffrey R. Immelt
Citigroup	Sanford Weill
Chevron Texaco	David J. O'Reilli
IBM	Samuel Palmisano
Philip Morris	Louis C. Camilleri
Verizon Communications	Ivan G. Seidenberg
American Intl. Group	Maurice R. Greenberg
American Electric Power	E. Linn Draper Jr.

COMPANY	CEO
Duke Energy	Richard B. Priory
AT&T	C. Michael Armstrong
Boeing	Philip M. Condit
El Paso	William A. Wise
Home Depot	Robert L. Nardelli
Bank of America	Kenneth D. Lewis
Fannie Mae	Franklin D. Raines
J.P. Morgan Chase	William B. Harrison Jr.
Kroger	Joseph A. Pichler
Cardinal Health	Robert D. Walter
Merck	Raymond V. Gilmartin
State Farm Insurance	Edward B. Rust Junior

*According to Revenue Rank, 2001

TOP EXECUTIVES OF MAJOR INDIAN COMPANIES

IT COMPANIES

COMPANY	DESIGNATION	NAME
Wipro	CMD	Azim Premji
Infosys	Chairman	N.R. Narayana Murthy
	Et Chief mentor	
	President, MD	Nandan Nilekani
	Et CEO	
HCL Technologies	Chairman Et CEO	Shiv Nadar
Satyam	MD	B. Ramalinga Raju
Hughes Software	President Et MD	Arun Kumar
System	Chairman	Pradman Kaul

FINANCIAL INSTITUTIONS

COMPANY	DESIGNATION	NAME
Polaris Software	CMD	Arun Jain
Lab		
NIIT	CMD	Rajendra Singh Pawar
SBI	Chairman	A.K. Purwar
HDFC Bank	MD	Aditya Puri
ICICI Ltd.	MD Et CEO	K.V. Kamath
	Chairman	N. Vaghul
ICICI Bank	MD Et CEO	K.V. Kamath
IDBI	CMD	P.P. Vora



Ahmedabad, Bangalore, Bhilai, Bhubaneswar, Chennai, Gurgaon, Hyderabad, Kolkata, Mumbai, Pune & Ranchi



- | | | | |
|-------------|------------------------|-----------|---------------|
| ► Marketing | ► Accounting & Control | ► HRM | ► Insurance |
| ► Finance | ► IT & Systems | ► Banking | ► Investments |

IBS Admission Test (IBSAT) 2003:
December 21, 2003
At 60 Test Centers all over India

Eligibility: Graduates (Any discipline, English Medium) with 50% and above. Final year students of Degree Courses are also eligible to apply.

Selection: Based on IBS Admission Test (IBSAT) and Interviews (GMAT scores are also accepted).
IBS code no. for GMAT : 7061)

HIGHLIGHTS

- Two year Full-time Campus-based Program
- Competent and Committed Faculty
- Fully equipped computer labs & libraries
- Unique 16-week Summer Internship Program
- 100% placements with Blue-Chip organizations
- Strong alumni network with over 2800 members
- Global affiliations

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- 1st Rank among Private B-Schools set up after 1990
- 1st Rank in Faculty Strength
- 1st Rank in Student Strength
- 6th Rank in Intellectual Capital
- 7th Rank among the Non-IIM B-Schools
- 8th Rank in Academic Environs
- 9th Rank in Industry Interface
- 12th Rank on Overall basis among all B-Schools

Source: Various B-School Surveys.

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For Further information, please contact : Admissions Officer, Campus Programs Admissions Department, The ICFAI University, 45, Nagarjuna Hills, Punjagutta, Hyderabad 500082. Ph: 040-5578-1301,1302, 55635745, 55629879. Fax: 040-55781303, Email: cpad@ibsat.org

COMPANY	DESIGNATION	NAME
Bank of Baroda	CMD	P.S. Shenoy
Bank of India	CMD	K.V. Krishnamurthy
UTI	Chairman	M. Damodaran

PHARMACEUTICAL COMPANIES

Cipla	CMD	Y.K. Hamied
Dr Reddy's Labs	Chairman	K. Anji Reddy
	MD	Satish Reddy
Ranbaxy Labs	Chairman	Tejendra Khanna
	MD & CEO	D.S. Brar
Dabur India	Chairman	V.C. Burman
GlaxoSmithKline	VC & MD	V. Thyagarajan
Pharmaceutical		
Wockhardt	Chairman	H.F. Khorakiwala
Nicholas Piramal	Chairman	Ajay Piramal
Novartis India	Chairman	E. Schillinger
Morpen Laboratories	CMD	Sushil Suri

PETROLEUM & REFINERY

ONGC	CMD	Subir Raha
IOC	Chairman	M.S. Ramachandran
BPCL	CMD	S. Behuria
GAIL	CMD	Proshanto Banerjee
Hindustan Petroleum Corporation	CMD	M. Lal
Castrol India	Chairman	S.M. Dutta
	MD & CEO	N.K. Kshatriya
IPCL	Chairman	Mukesh D. Ambani
IBP	Chairman	M.S. Ramachandran

FMCG COMPANIES

HLL	Chairman	M.S. Banga
Nestle India	CMD	Carlos Donati
Colgate-Palmolive	MD	Graeme Dalziel
	Chairman	S. Peter Dam
Cadbury India	Chairman	C.Y. Pal
Procter & Gamble	Chairman	B.V. Patel
	MD	S. Khosla
Britannia Industries	Chairman	Nusli Wadia

AUTOMOBILE MANUFACTURERS

COMPANY	DESIGNATION	NAME
Hero Honda Motors	Chairman	Brijmohan Lal Munjal
Bajaj Auto	CMD	Rahul Bajaj
Telco	Chairman	Ratan Tata
ME&M	Chairman	Keshub Mahindra
	VC & MD	Anand Mahindra

MISCELLANEOUS

Reliance Industries	CMD	Mukesh Ambani
	VC & MD	Anil Ambani
ITC	Chairman	Y.C. Deveshwar
BSNL	CMD	Prithpal Singh
MTNL	CMD	Narinder Sharma
LE&T	MD & CEO	A.M. Naik
BHEL	CMD	K.G. Ramachandran
Zee Telefilms	Chairman	Subhash Chandra
Nalco	CMD	C. Venkataramana
Tisco	MD	B. Muthuraman
Nirma	CMD	Karsanbhai Patel
Tata Power Company	Chairman	R.N. Tata
	MD	F.A. Vandrevalla
Gujarat Ambuja Cement	Chairman	Suresh Neotia
	MD	N.S. Sekhsaria
Associated Cement Company	Chairman	Tarun Das
	MD	M. L. Narula
Steel Authority of India	Chairman	V.S. Jain
Shipping Corporation of India	CMD	P.K. Srivastava
Indian Hotels Company	Chairman	R.N. Tata
	MD	R.K. Krishna Kumar
Siemens	Chairman	F. A. Mehta
	MD	J. Schubert

Note: CMD stands for chairman-cum-managing director, VC for vice-chairman, and CEO for chief executive officer, MD for managing director

IMPORTANT BUSINESS GROUPS & ASSOCIATED COMPANIES

BUSINESS GROUP	ASSOCIATED COMPANIES	BUSINESS GROUP	ASSOCIATED COMPANIES
Tata	(i) Tisco (ii) Telco (iii) TCS (iv) Indian Hotels (v) ACC (vi) Nelco (vii) Voltas (viii) Titan	Hinduja	(i) Ashok Leyland (ii) Gulf Oil (iii) IndusInd Bank (iv) IDL
Reliance	(i) Reliance Chemicals (ii) Infocomm (iii) Reliance Capital (iv) Mudra Communications	H.S. Singhanian	(i) JK Industries (ii) Vikrant Tyres (iii) Lakshmi Cement
K.K. Birla	(i) Hindustan Times (ii) Chambal Fertilizers (promoted by Zuari Agro Co.)	LM. Thapar	(i) Ballarpur Industries (ii) Crompton Greaves
A V Birla	(i) Grasim Industries (ii) Hindalco (iii) Indo-Gulf Fertilizers (iv) Century Group of Companies (v) Jayashree Tea	Lalbhai	(i) Arvind Mills (ii) Arvind Clothings (iii) Arvind Fashions
C.K. Birla	(i) Hindustan Motors	RPG group	(i) Asian Cables (ii) Ceat Tyres
		G.P. Goenka	(i) Duncan Fertilizers (ii) Duncan Tea
		UB	(i) McDowell & Co.
		Torrent	(i) Torrent Pharmaceuticals



(DEEMED UNIVERSITY)

भारतीय विदेश व्यापार संस्थान INDIAN INSTITUTE OF FOREIGN TRADE

School of International Business Management

INTERNATIONAL CAREERS IIFT CAREERS



Indian Institute of Foreign Trade provides world class education and training in international trade and business as well as serves as a premier centre of research. Through its linkages with the Government of India and the Industry & Trade Associations, the Institute has close interaction with trade policy formulators and corporate executives.

IIFT offers the following courses

Course	Eligibility	Mode of Admission	Tuition Fees	Important Dates
MBA (International Business) two-year full time	Bachelor's degree with minimum 50% marks from any recognized University or institution	On the basis of all India written test, group discussion and interview	General Category: Rs.1,25,000 per year SC/ST: Rs.62,500 per year. Foreign/NRI/NRI-sponsored: US\$8000 per year	Availability of application forms: Sept-Oct. Written Examination: Second Sunday of January every year
MBA (International Business) three-year part time	Bachelor's degree with minimum 50% marks. A minimum of three years managerial experience	On the basis of written test, group discussion and interview	General Category: Rs.82,500 per year SC/ST: Rs.41,250 per year. Foreign/NRI/NRI-sponsored: US\$5500 per year	Availability of application forms: March-April Written Examination: Mid May every year
Executive Masters in International Business (EMIB) One-and-a-half year alternate weekends	PG Degree/ Engineering Degree with 3 years managerial work experience. Graduation with 5 years work experience	On the basis of interviews	General Category: Rs.1,00,000/- to be paid in three installments. SC/ST: Rs.50,000 to be paid in three installments	Availability of application forms: Oct.-Nov. Interview: December
Certificate Course in Export Marketing Four months (Evening course)	Graduation with 2 years experience at executive level	On the basis of interviews	General Category: Rs.25,000.SC/ST: Rs.12,500	Availability of application forms: April-May Interview: June

For any further query contact :

Shri L.D. Mago, (Asstt. Professor)

B-21, Outab Institutional Area, New Delhi 110016 .

Phone: 26857908, 26965124, 26965051, 26966563 Fax: 26853956, 26867841, 26867851

E-mail: ldmago@iift.ac.in Website: www.iift.edu

Common Mistakes in GDs & Interviews

NEELIMA MAHAJAN

THIS is the 'make or break' stage. The group discussion (GD) and interview decide whether you step into the hallowed halls of the B-school or head home. Ever wonder why even the brightest of students trip up at this crucial stage? We spoke to professors – the guys who actually sit on the selection panel – in B-schools to answer that question.

Both GDs and interviews are vital parts of the selection process – they bring you face-to-face with the selection panel for the first time. This is your chance to impress the panel, so make the most of it.

Even if you haven't done too well in the written tests, you can still make up in the GD and interview. Some schools give a lot of weightage to this stage. For instance, the Mumbai-based SP Jain Institute of Management & Research (SPJIMR), assigns a weightage of just one-third to the CAT score – the rest depends on your academic record, applications and the two group interviews.

Confidence, leadership qualities, group behaviour, presence of mind, in-depth knowledge... these are some of the

things that count in a GD and interview. But a small blunder can make all the preparation and planning come unstuck.

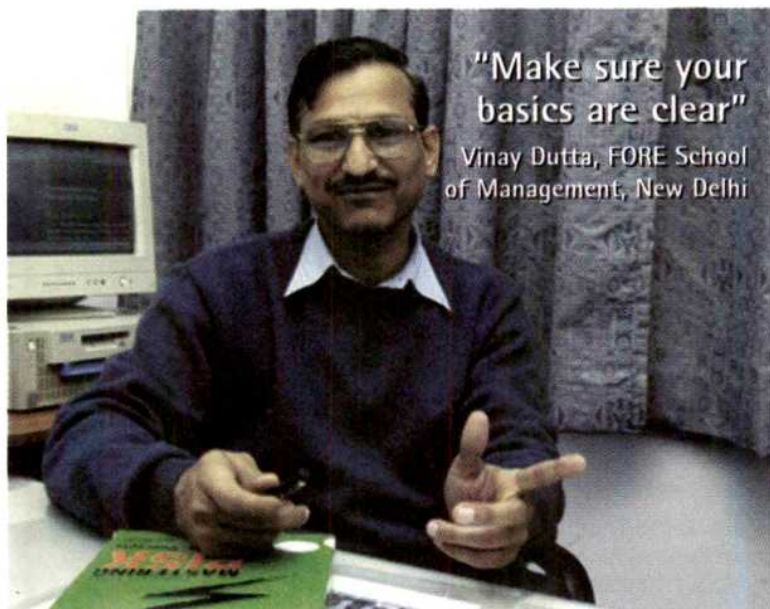
GROUP DISCUSSION HOWLERS

The idea behind a GD is to separate the leaders from the herd. Unfortunately, most candidates think that leadership quality is best exhibited by being aggressive. They are wrong. "Aggression no, assertiveness yes," says Ashok Panjwani, admissions-in-charge and associate professor (operations management), MDI, Gurgaon.

Kuriakose Mamkoottam, programme director, FMS, believes students are "wrongly tutored by some coaching institutes. They are simply too aggressive." Aggression in a GD shows that you cannot get along in a team. It can even earn you negative marks.

Speaking too much or speaking too little gives the impression that you are a poor team player. This is a cardinal sin. Speak only when you are sure you have a point to make. Do not repeat something that has already been said. If you do, you will be taken for a poor listener. Speaking just to muffle others is also a strict no-no. "Timely and meaningful expression is more important rather than mere participation and domination of the group in a GD," says K. Rangarajan, associate professor (strategy), IIFT, Delhi.

There is a perception that the person who starts the GD gets extra points. At times, you may be given a topic about which you know virtually nothing. It's better to keep your mouth shut and let others initiate the discussion. Once you get some idea about the topic, jump in. This is a smarter



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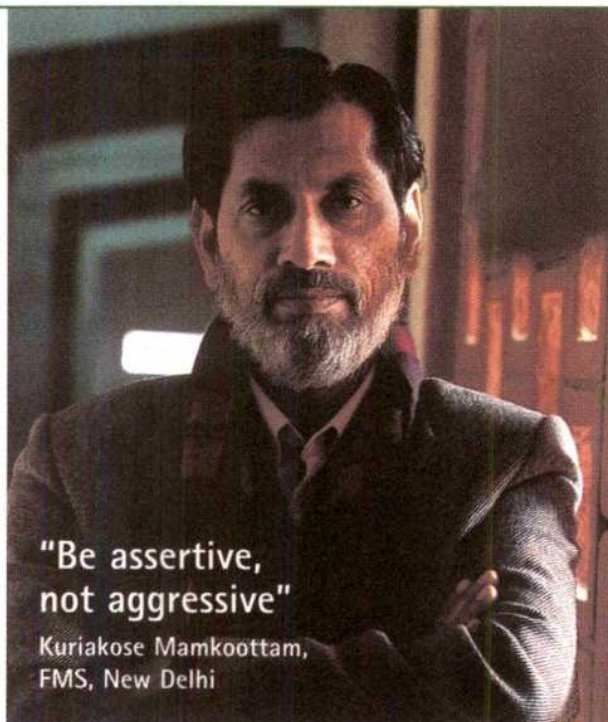
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the last HURDLE

K. Rangarajan,
IIFT, New Delhi

"Timely and meaningful expression is more important than mere participation"



"Be assertive, not aggressive"

Kuriakose Mamkoottam,
FMS, New Delhi

strategy than initiating the discussion and floundering.

INTERVIEW DON'TS

First impressions matter. Believe it or not, but the application form you submit months before the entrance exam forms the basis of most interviews. Careless mistakes when you fill the form dog you all the way to the interview. "Sometimes candidates attach shabby-looking photos with the application form. Or they fill the form carelessly and leave fields blank. At times they make tall claims about their abilities and are unable to substantiate them during the actual interview," says Vinay Dutta, professor of finance, FORE School of Management, Delhi.

M.M. Anand, former dean and head, FMS, and currently programme director at IMI, says: "Quite often either the candidates are unaware of what they have written in the application form as hobbies and strengths or they cannot defend the statements."

Don't exaggerate in the application form. If you say that cricket is your hobby, then that is a cue for the interview panel to quiz you on the game. They can ask you anything about it. Don't write stuff just to make an impression. Also, before the interview, replay in your mind everything you said in the GD. You may be asked about it: changing your stance in the interview is a bad idea.

Many candidates think that since they are going in for a management degree, what they studied in college is going to be of little use in the interview. Dead wrong. "We usually quiz students on the subjects they stud-

ied in college. Their basics must be clear," says Dutta.

It's not enough to know your subject. You also have to be prepared for stock questions that are asked in interviews. B. Shukla, director (corporate resource centre), Amity Business School, Noida says that you have to be clear about your long-term and short-term goals – both personal and professional. Make sure you can explain exactly how a management degree will take you closer to your goals.

Candidates who are low on general awareness are usually shown the door. Make a habit of reading at least one national newspaper, an economic daily and a couple of business magazines. Most students do that, but then slip up on small things that tell the panel just how low their power of observation is.

Dutta recalls the example of a student who had travelled by train to appear for the interview. He knew everything about major goings-on but could not recall the names of any of the stations he had seen on the way!

If someone points out a mistake you made during an interview, don't go on the defensive. You'd be surprised how many candidates do that. Just acknowledge the fact that you were wrong.

A final thought. You might have heard about the candidate who was asked, "Where do you see yourself five years from now?" Pat came the answer: "On the other side of the table!" Did he get selected? We don't know. It is impossible to second-guess the interview panel. So just follow Panjwani's advice: "Be your usual self. Don't be artificial." ■

You Must Avoid

- Being too aggressive
- Speaking just for the sake of speaking
- Repeating points
- Initiating the discussion when the topic is unfamiliar
- Exaggerating in the application form
- Contradicting what you said in the GD
- Turning up without going through your college courses

Career Launcher's Mock CAT

THESE ARE THE KIND OF INSTRUCTIONS YOU WILL SEE IN THE ACTUAL TEST

1. DO NOT OPEN THE SEAL OF THIS BOOKLET. WAIT FOR THE SIGNAL TO START.

2. This booklet contains xx pages including the blank ones. Immediately after opening the booklet, verify that all pages are printed properly.

3. Keep only the admit card, pencil eraser and sharpener with you. DO NOT keep books, rulers, slide rules, drawing instruments, calculators (including watch calculators), pagers, cellular phones, or any other device. These should be left outside the room.

4. This paper has 177 questions. The total time for the test is 120 minutes. There is sectional time limits. The paper is divided into four sections.

Section-I : 50 Questions

Section-II : 25 Questions

Section-III : 53 Questions

Section-IV : 49 Questions

6. Direction for answering the questions are given in the text booklet before each group of questions to which they apply. Read these directions carefully and answer the questions by darkening the appropriate ovals.

7. Wrong answers carry negative marks. There is only one correct answer for each question.

8. Do the rough work on the rough sheets only and NOT on the question paper.

9. Follow the instructions of the invigilator. Candidates found violating the instructions will be disqualified.

10. At the end of the test, remain seated. Do not leave the hall till the invigilator announces, "You may leave now." The invigilator will make the announcement only after collecting the test booklets and answer sheets from everyone in the room.

ANY CANDIDATE GIVING/SEEKING/RECEIVING ASSISTANCE OR FOUND COPYING WILL BE IMMEDIATELY DISQUALIFIED.

Section – I

Direction for questions 1 and 2: Answer the questions based on the following information.

John had calculated (correctly) that he had enough corn to feed his birds for 16 days only (keeping in mind the normal feeding), so he kept four birds and sold the rest. He also cut down their feeding by 20% (thus keeping the feed at 80% of the normal feed). He was thus able to make the corn last for 60 days.

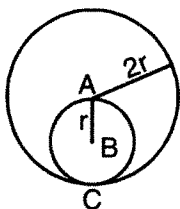
1. How many birds did he have to start with?
a. 12 b. 16 c. 20 d. 24
2. If he had sold only $\frac{1}{4}$ the number of birds than he actually sold, for how many days would his corn have lasted? (at 80% of normal feed)
a. 15 b. 12 c. 32 d. 24
3. Jim entered a store and spent one-half of the money that was there in his purse. When he came out, he found that he had just as many paise as he had rupees and half as many rupees as he had paise when he went in. How much money did he have with him when he entered?
a. Rs. 100 b. Rs. 99 and 98 paise
c. Rs. 102 and 45 paise d. Rs. 89 and 75 paise
4. Mrs Doubtfire wrote all the numbers from 100 to 200. Then she started counting the number of one's that has been used while writing all these numbers. What is the number that she got?
a. 119 b. 120 c. 121 d. None of these
5. If $f(x) = |x - 1|$, then which of the following is always true?
a. $f(x^2) = [f(x)]^2$ b. $f(|x|) = |f(x)|$
c. $f(x + y) = f(x) + f(y)$ d. None of these
6. There are two squares, one larger than the other. The perimeter of the larger square is 44 more than that of the smaller square, and the area of the larger square is 187 sq. unit more than the area of the smaller. Find the sides of the squares.
a. 4 and 15 b. 3.5 and 14.5
c. 3 and 14 d. 2.5 and 13.5

Direction for questions 7 and 8: Answer the questions based on the following information.

59292564P61Q is divisible by 99, but not by 22. If Q is greater than P, then

7. P is
a. 5 b. 2 c. 0 d. 4
8. Q is
a. 5 b. 3 c. 7 d. 9

9. A tourist purchased a total of Rs. 1,500 worth of traveller's cheques in Rs. 10 and Rs. 50 denominations. During the trip, the tourist encashed 7 cheques and then lost all of the rest. If the number of Rs. 10 cheques encashed was one more or one less than the number of Rs. 50 cheques encashed, then what is the minimum possible value of the cheques that were lost?
- a. Rs. 1,430 b. Rs. 1,310 c. Rs. 1,290 d. Rs. 1,270
10. There are four numbers in a sequence. The average of first three is 6, the average of the last three is 7, and the last number is 3 more than the first. The average of the second and the third numbers is
- a. 6 b. 6.5 c. 5.75 d. Cannot be determined
11. For the same budgeted amount, Ramu could buy fewer oranges than before after a 20% hike in the price of oranges. What is the minimum number of oranges that he bought originally, if after the hike he still managed to buy an integral number of oranges?
- a. 20 b. 5 c. 6 d. None of these
12. Three circles of radius R touch each other externally. Find out the area of the circle circumscribing them.
- a. $\frac{\pi R^2}{3}(2 + \sqrt{3})^2$ b. $\frac{\pi R^2}{3}(\sqrt{3} - 2)$ c. $\frac{\pi R^2}{3}(2 + \sqrt{3})$ d. $\frac{\pi R^2}{2}(\sqrt{2} + \sqrt{3})$
13. There is a circular hoop inside a bigger circle. The diameter of the hoop is equal to the radius of the circle. If the hoop were to roll along the circumference of the circle, then how many rounds would it make before it comes back to the original position?



- a. r b. $2r$ c. 2 d. $2\pi r$
14. Maximum value of $y = \min\left[\frac{1}{2} - \frac{3}{4}x^2, \frac{5}{4}x^2\right]$ is
- a. $\frac{6}{16}$ b. $\frac{5}{4}$ c. $\frac{1}{2}$ d. $\frac{5}{16}$
15. After travelling 30 min, a train met with an accident and stopped for 45 min. Due to the accident, its speed reduced to $\frac{2}{3}$ of its former speed and the train reached its destination 1 hr 30 min late. Had the accident occurred 60 km after the point it occurred earlier, the train would have reached 30 min earlier. The length of the journey is
- a. 90 km b. 120 km c. 150 km d. 180 km

16. What is the value of $\log x$ if $\log(x^3 \times y^2) = a$ and $\log(x^2 \times y) = b$?
 a. $a + b$ b. $2a + b$ c. $2b - a$ d. $2a - b$
17. In accordance with the provisions of the new budget, a man pays tax at the rate of 5% and 10% as special surcharge on the amount of income tax levied. He altogether pays a tax of Rs. 11,000. Find the gross pay of the man. (The allowable standard deduction is 20%.)
 a. Rs. 2,00,000 b. Rs. 2,50,000 c. Rs. 3,00,000 d. Rs. 3,50,000
18. The first of a series of cog wheels working into each other in a straight line, has certain number of teeth; the ratio of the number of teeth in the second to that of the first is 6 : 7; of the third to the second is 5 : 6 and of the fourth to the second is 2 : 3. If the wheels are set in motion, then how many least number of revolutions must each wheel make before they are simultaneously in their original positions?
 a. 420 each b. 70, 60, 50, 40 c. 7, 6, 5, 4 d. 60, 70, 84, 105
19. $\begin{matrix} AA \\ + BB \\ \hline CDC \end{matrix}$ $\begin{matrix} A > 0 \\ B > 0 \\ \text{All A, B, C are integers. Find D.} \end{matrix}$
 a. 4 b. 3 c. 2 d. 1
20. Paul finishes $\frac{3}{10}$ of the work in 5 days. But realising the urgency of work, he employed Peter and they together finished the work in 7 days. How much time would have Peter needed to finish the work if Paul was not available for assistance and he had to do the whole work all alone?
 a. 12 days b. 15 days c. 20 days d. 25 days
21. If $X^2 + aX + 20$ can be expressed as $(X + b)(X + c)$, where b and c are integers, then how many possible values can 'a' assume?
 a. 3 b. 6 c. 8 d. 2

Direction for questions 22 to 26: Answer the questions based on the following information.

Raman, the great mathematician, called on Madan after many years. He enquired about his family. Madan said, "I have three sons. Their names are J, K and L. J is the eldest. L is the youngest. No twins. The product of the ages is 1400. L is at least 2-years-old. None of them is more than 45 years. The sum of their ages is equal to the age of my neighbour E. But even if I tell you E's age, you will not be able to arrive at my sons ages (despite your mathematical prowess). So I shall not tell you E's age. But L is younger than my neighbour's daughter P. If I tell you the age of P, you will be able to deduce the ages of all my sons. I shall not tell you anything further." Raman was able to deduce the ages of all!

22. J's age is
 a. 25 years b. 28 years c. 35 years d. 20 years
23. K's age is
 a. 8 years b. 10 years c. 15 years d. 14 years

24. L's age is
a. 7 years b. 2 years c. 5 years d. 4 years
25. E's age is
a. 48 years b. 37 years c. 43 years d. 39 years
26. P's age is
a. 5 years b. 6 years c. 3 years d. 8 years
27. The axial section of a right circular cylinder is a square of area S . The volume of the cylinder is
a. $\frac{\pi S}{2}$ b. $\frac{\pi S^2}{2}$ c. $\frac{\pi S^{\frac{3}{2}}}{4}$ d. $\frac{\pi S^{\frac{3}{2}}}{2}$
28. Mama gave Guddi a beautiful gold necklace as her birthday present. However, Guddi, being careless as she was, dropped the necklace which broke into five equal pieces of three links each. Guddi ran to a goldsmith and asked him to mend the necklace. The goldsmith said, "For every link that I open and solder, I'll charge Rs. 10." Thus, to get the chain mended, Guddi has to pay a minimum of
a. Rs. 20 b. Rs. 30 c. Rs. 50 d. Rs. 150
29. Two trains — a goods train 490 m long and a passenger train 210 m long — were travelling on parallel tracks towards each other. The driver of the passenger train noticed the driver of goods train when it was 700 m away; 28 s later the drivers passed each other. Find the respective speeds of each train, if we know that the goods train takes 35 s longer to pass the signal than the passenger train.
a. 36 and 54 km/hr b. 36 and 45 km/hr c. 30 and 50 km/hr d. 10 and 15 km/hr
30. A crazy mathematician went on listing all the six-digit numbers divisible by 7, 8 and 9. Then he deleted all the numbers which did not have 523 as their first three digits. Which of the following may be a number in his new list?
a. 523152 b. 523141 c. 523656 d. Both (a) and (c)
31. A 10 hectare field is reaped by 2 men, 3 women and 4 children in 10 days. If 1 man, 1 woman and 1 child work in the ratio 5 : 4 : 2, then 16 hectares field will be reaped by 6 men, 4 women and 7 children in
a. 5 days b. 6.5 days c. 7 days d. 8 days

Direction for questions 32 to 35: Answer the questions based on the following information.

$[x]$ is defined as the largest integer less than or equal to x . $\{x\}$ is defined as the smallest integer greater than or equal to x .

32. What is the maximum value of $\{x\} - [x]$?
a. 0 b. 1 c. 2 d. $[x]$
33. If x is not an integer, then $([x] + \{x\})$ is
a. an even number b. an odd number c. is equal to x d. greater than $[x]$

34. What is the value of $[(x + y + z) - ([x] + [y] + [z])]$; if $0 < \{x\} - x < 0.2$; $0.000 < \{y\} - y < 0.3$; $\{z\} - z = 0.4$?
a. 0 b. 1 c. 2 d. 3
35. What is the value of x if $1 < x < 2$ and $\{x\} + [x] = 2x$?
a. 1.2 b. 1.5 c. 1.75 d. Cannot be determined
36. For what positive values of P does the equation $P2^x + 2^{-x} = 5$ have real roots?
a. $0 < P \leq \frac{25}{4}$ b. $P \geq \frac{25}{4}$ c. $P \leq 0$ d. $P \geq 0$
37. P and Q are two points on the sides AB and AC respectively of $\triangle ABC$ such that $AP = x$, $PB = y$, $AQ = w$ and $QC = z$. Find the ratio of the area of $\triangle APQ$ to the area of $\square PQCB$.
(Given $x : y = m : 1$, $w : z = n : 1$, $m : n = 1 : 1$ and $n = 0.5$)
a. 1 : 2 b. 2 : 3 c. 4 : 9 d. 1 : 8
38. There are two women participating in a chess tournament. Each participant played two games with every other participants. The number of games played by the men among themselves exceeded by 66 than the number of games played by men against women. How many participants were there in the tournament?
a. 16 b. 15 c. 14 d. 13
39. A water tank develops a leak at the bottom. When the tank is in good condition, it gets filled in 3.5 hrs. It now takes half an hour longer for the tank to get completely filled. If the tank is full, how long would it take for the leak to empty the tank?
a. 14 hrs b. 21 hrs c. 28 hrs d. None of these
40. There is a cubical block placed in a cylinder containing water. If 200 m^3 of water is poured, the level of the water rises by 10 m. If the area of the cross section of the cube is 20 m^2 , find the area of the cross section of the cylinder.
a. 20 m^2 b. 10 m^2 c. 5 m^2 d. Data insufficient
41. A figure is composed of 6 squares in horizontal line, each with side ' s ' cm. If the number of centimetres in the perimeter of the figure is equal to the number of square centimetres in its area, the value of ' s ' is
a. 1 b. $\frac{5}{3}$ c. 2 d. $\frac{14}{6}$
42. a, b, c ($a > c$) are three digits from left to right of a three-digit number. If the number with these digits reversed, is subtracted from the original number, then resulting number has the digit 4 in its unit's place. The other two respective digits from left to right in the resulting number are
a. 5 and 4 b. 5 and 9 c. 4 and 5 d. 9 and 5
43. A cellphone company, AIRFREE, decides to give the first 10 min of airtime free of cost if a person purchases the instrument from them, else it charges Re.1 per minute. For the next 20 min of airtime it charges its subscriber Rs. 4.5 per minute. The next 20 min are charged at Rs. 8 per minute. Thereafter, with every 10 min increase in airtime, the charge per minute drops by Re. 1 falling to a minimum of

Re.1 per minute. Ashish buys the phone from Palika Bazaar, and then subscribes to AIRFREE company. His first bill shows an airtime of 2 hr 20 min. How much is he required to pay?

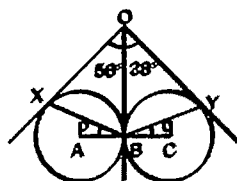
- a. Rs. 560 b. Rs. 500 c. Rs. 360 d. Rs. 270

Direction for questions 44 to 48: Answer the questions based on the following information.

There are six boxes numbered 1 to 6 consecutively. Each box has a different coloured ball inside it. The balls are coloured red, green, yellow, purple, orange and blue. The following conditions apply:

- I. The purple ball must be hidden in a lower-numbered box than the box with the orange ball.
- II. The red ball must be hidden in a box immediately adjacent to the box in which the blue ball is hidden.
- III. The green ball must be hidden in box number five.

44. Which could be the possible order starting from box numbers 1 to 6?
 - a. Blue, green, purple, red, orange, yellow
 - b. Blue, red, purple, yellow, green, orange
 - c. Orange, yellow, red, blue, green, purple
 - d. Red, purple, blue, yellow, green, orange
45. If the blue ball is under box number four, then the red ball must be under box number
 - a. 2
 - b. 3
 - c. 5
 - d. 6
46. Which ball could be under box number six?
 - a. Green
 - b. Purple
 - c. Red
 - d. Yellow
47. If the purple ball is under box number four, the orange ball must be under box number
 - a. 2
 - b. 3
 - c. 4
 - d. 6
48. Which of the following must be true?
 - a. The green ball is under a lower-numbered box than yellow ball.
 - b. The orange ball is under a lower-numbered box than green ball.
 - c. The purple ball is under a lower-numbered box than the green ball.
 - d. The red ball is under a lower-numbered box than the yellow ball.



49. In the given figure, OX and OY are tangents and A and C are the centres of the circles. Find $(\angle p - \angle q)$.
 - a. 6°
 - b. 7°
 - c. 8°
 - d. 9°
50. Vibhor started the journey in his car from the badlands with a tank full of fuel, 12 gallons to be exact. However, the moment he started out, the fuel tank sprung a leak. He travelled at 50 miles per hr until he ran out of fuel exactly 4 hrs later. Knowing that the car runs 25 miles for each gallon, how much fuel did he lose through the hole?
 - a. 4 gallons
 - b. 5 gallons
 - c. 6 gallons
 - d. 3 gallons

Section – II

Direction for questions 51 to 53: Answer the questions based on the following information.

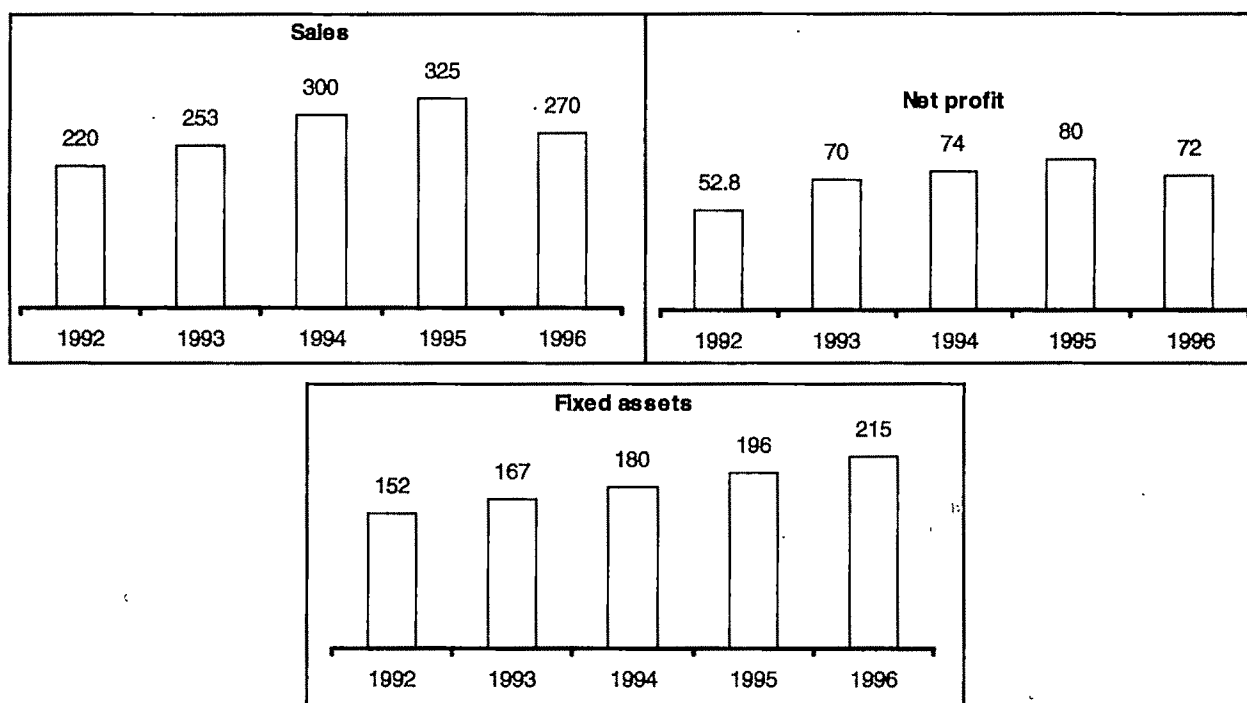
Priya takes an examination which has questions with different degrees of difficulty and different marks corresponding to the degree of difficulty. The time taken by Priya to solve the questions is as follows.

Degree of difficulty	Marks	Time taken to solve
Very difficult	5	7 min
Difficult	3	5 min
Not so difficult	1	2 min

51. If Priya is given 1 hr to answer the questions and there are unlimited number of questions, then the maximum marks she can obtain would be
 a. 45 b. 42 c. 40 d. 44
52. If Priya is given $1\frac{2}{3}$ hr, then what is the maximum score she can obtain in this time?
 a. 69 b. 78 c. 74 d. 71
53. If Priya has to score exactly 12 marks in the shortest possible time, then how much time will she require?
 a. 16 min b. 20 min c. 21 min d. 18 min

Direction for questions 54 to 58: Answer the questions based on the following data.

The graph below gives the sales, net profit and fixed assets of ABC Ltd. for 1992–96 (Rs. in crores).



54. The ratio of sales to fixed assets is the highest in
a. 1992 b. 1993 c. 1994 d. 1995
55. If the net profit ratio is expressed as net profit as a percentage of sales, then in which year has the ratio been the minimum?
a. 1992 b. 1993 c. 1995 d. 1996
56. If the net profit ratio is multiplied by the sales to fixed asset ratio, then the highest value is
a. 34.8 b. 42.3 c. 43.8 d. 41.0
57. The lowest percentage increase in the fixed assets has been in
a. 1992-93 b. 1993-94 c. 1994-95 d. 1995-96
58. What has been the average net profit ratio of the company over the period 1992-96?
a. 25.5% b. 24.8% c. 26.1% d. 23.9%

Direction for questions 59 to 64: Answer the questions based on the following table.

Y2K compliance by market segments

Segments	Fully compliant (in %)	Partially compliant (in %)	Non-complaint (in %)	%	(N=)
Manufacturing	54	24	21	100	202
Banking/Finance/Insurance	74	12	12	100	72
IT/Telecom	60	15	24	100	58
Services	48	23	29	100	58
Transportation	53	11	34	100	18
Govt/PSU	55	26	18	100	9
Utilities	51	29	19	100	9
Others	43	37	23	100	22

Note: N indicates sample size for each segment.

59. How many companies in India are Y2K non-compliant?
a. 97 b. 98 c. 99 d. Cannot be determined
60. The number of transportation companies that are fully compliant is what percentage of those that are non-compliant?
a. 119% b. 139% c. 156% d. 171%
61. Besides manufacturing, which segment has the highest number of surveyed companies partially Y2K compliant?
a. Utilities b. Services c. Others d. Govt/PSU

62. By December 31, 1999; 60% of the partially compliant and 10% of non-compliant companies in the sample become fully compliant. How many companies in the sample are still not Y2K compliant?
a. 125 b. 131 c. 147 d. Cannot be determined
63. In percentage terms of compliance, which segment has the same rank in both, full as well as partial compliance?
a. Manufacturing b. Govt/PSU c. Both (a) and (b) d. No such segment
64. In how many segments are more than 10 companies that are fully compliant?
a. 3 b. 4 c. 5 d. Cannot be determined

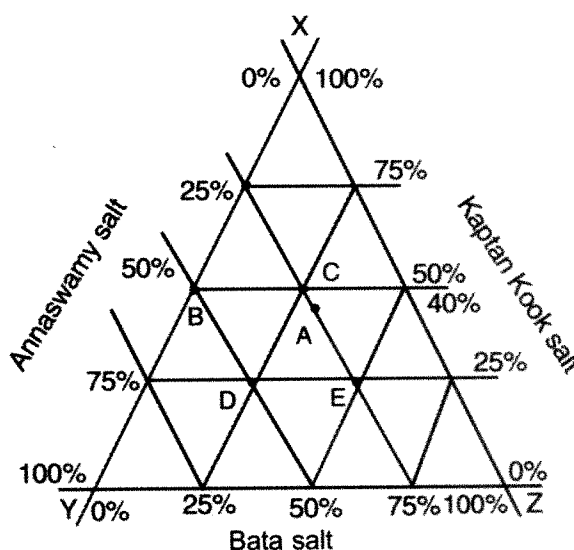
Direction for questions 65 to 69: Answer the questions based on the following table.

The plan-wise capacity addition in the power sector as compared to the target for the plan is represented in the following chart.

Plan	Period	Target (million watts)	Actual (million watts)
First	1951-56	1,300	1,100
Second	1956-61	3,500	2,250
Third	1961-66	7,040	4,520
Fourth	1969-74	9,264	4,579
Fifth	1974-79	12,499	10,202
Sixth	1980-85	19,666	14,226
Seventh	1985-90	22,245	21,401
Eighth	1992-97	30,588	18,000

65. In which Plan was the capacity addition in the power sector closest as a percentage of the target for the same period?
a. First Plan b. Fifth Plan c. Sixth Plan d. Seventh Plan
66. By the end of the Eighth Plan period, the actual capacity addition as a percentage of targeted capacity since 1951 was
a. 69% b. 76% c. 56% d. 71.9%
67. Actual capacity addition as a percentage of targeted capacity was the lowest in
a. Second Plan b. Third Plan c. Fourth Plan d. Eighth Plan
68. The percentage increase in actual capacity addition between the Fourth and Fifth Plan period is
a. 223% b. 123% c. 23% d. None of these
69. If the cost of creating a 1 million watt of power capacity was Rs. 100 lakh in the First Plan and rose by 25% in every successive Plan, then the expenditure incurred in creation of power capacity in the Fifth Plan period was
a. Rs. 24,900 crore b. Rs. 20,404 crore c. Rs. 20,907 crore d. Rs. 20,504 crore

Direction for questions 70 to 75: Answer the questions based on the following information.
The above figure shows market share of three brands of salts in 5 regions A, B, C, D and E.



To find the percentage of Kaptan Kook in a region, say region A, draw a line parallel to YZ from A to XZ. The point at which it meets XZ gives the required percentage. Similarly, to find the percentage of Bata and Annaswamy salt for A draw lines parallel to XY and XZ respectively from A. The points of intersection of these lines on YZ and XY gives the percentage share of Bata salt and Annaswamy salt respectively.
The table below gives the break-up of salt market for five regions A, B, C, D and E.

Branded vs unbranded salt market		
Region	Branded (Tonnes)	Unbranded (Percentage of total market in volumes)
A	450	60%
B	365	45%
C	460	50%
D	750	30%
E	225	70%

70. The total unbranded market for salt in the five regions is approximately
a. 2285 tonnes b. 2850 tonnes c. 1850 tonnes d. 2250 tonnes
71. The region in which the difference between branded and unbranded salt sales is the highest is
a. A b. B c. D d. E
72. In which region is the sale of a single branded salt higher than the sale of unbranded salt?
a. D b. E c. Both (a) and (b) d. Cannot be determined

73. Which is the highest selling brand in the five regions combined?
a. Kaptan Kook Salt b. Bata Salt c. Annaswamy Salt d. Cannot be determined
74. By how many tonnes does the sales of Kaptan Kook salt exceed that of Bata salt (approximately)?
a. 570 tonnes b. 265 tonnes c. 360 tonnes d. 170 tonnes
75. Which region contributes the least to the sales of Annaswamy salt?
a. A b. C c. E d. H
-

80. A. Choice was limited and the simplicity helped preserve a connection with the earth and a fundamental natural wholeness on all levels.
B. There were no irradiated tropical fruits in December or cling-wrapped pass-ups in mid-summer.
C. The art of seasonal eating was part of a way of life for the ancient Chinese.
D. They existed on the land and believed that by living in harmony with Mother Nature and eating accordingly, optimum health and vitality could be achieved.
a. ABCD b. CBAD c. ACDB d. CADB
81. A. Philosophy, science, education, arts and even religion have put human beings at centre stage.
B. The Renaissance, the age of enlightenment, the Industrial revolution and information technology have all been about human programme.
C. We are still living in the age of humanism.
D. Conquering nature, subjugating animals, training wilderness and treating the environment as a resource for humans has been the greatest project of human civilization for the last 500 years.
a. ADCB b. CBAD c. CBDA d. CABD
82. A. First, it requires a bit of common sense and, second, a right person who can work on cars and really understand the subject.
B. Most car manufacturers have laid down norms and time frames for proper upkeep of their cars.
C. Nowadays, with the power of computers to help you, maintaining a foreign car or for that matter any car is not a great job.
D. In most mechanics with experience, I have seen a lack of understanding of the subject. They do something stupid to cover up their deficiency and end with the sagest policy of replacement, which costs the car owner a huge amount and also involves time to procure parts. If only we follow these rules strictly, I can assure you, your car will be well-maintained and no further work will need to be carried out as modern cars are highly reliable machines.
a. CABD b. CDAB c. DBCA d. BDCA
83. A. These 'smart antennas,' combined with sophisticated signal processing techniques, may be especially critical in preventing internet traffic jams as an increasing number of people use wireless devices to download files from the web.
B. The use of multiple antennas may enable a new generation of cellular communications equipment to better access the Internet and download large amounts of data, including video files, says Michael Zoltowski, professor in Purdue University's School of Electrical and Computer Engineering.
C. Just as people hear better with two ears than with one, future wireless communication devices may have two or more antennas so they can outperform conventional, single — antenna versions.
D. The performance of wireless devices, such as cellphones and laptop computers, is plagued by interference.
a. DACB b. DBAC c. DCBA d. CABD
-

87. 1. The sprawling islands that make up the Philippines straddle a region where strategic tensions have been growing.
- A. In the words of the defence minister, Orlando Mercado, the Philippines has “a navy that cannot go out to sea and an air force that cannot fly.”
 - B. Maybe, indeed American troops should once again be allowed to set foot on Philippine soil?
 - C. But the country’s leaders have a particular reason to be nervous, the decrepit state of their armed forces.
 - D. No wonder the government feels it may need some help and no wonder there is another bout of heart-searching over the country’s relations with the US, its former colonial power.
6. The senate plans to vote on the ratification of an accord with the US called the visiting forces agreement (VFA), which sets out the legal terms under which American servicemen can train with their counterparts from the Philippines.
- a. ADBC b. CADB c. DBCA d. DBAC
88. 1. Laser light differs from ordinary light because the wave-like oscillations of the light rays are all in step.
- A. The light is emitted from a substance, that has been ‘excited’ — given excess energy, which it releases as light.
 - B. The light is confined in a chamber with mirrors at either end.
 - C. The regimentation arises because some light itself stimulates the emission of more light, which is in step with the stimulus.
 - D. Bouncing back and forth between the mirrors, the light stimulates even more emission with each pass.
6. Eventually the light bursts out in one coherent beam through one of the mirrors, which is designed to be slightly transparent.
- a. ABDC b. BDCA c. ACBD d. ACDB
89. 1. Most human DNA — around 97 per cent — is ‘junk’, serving little or at least no obvious purpose.
- A. The rest is a hotch potch of genes taken from animals, plants and even the most primitive forms of bacteria.
 - B. Further up the evolutionary path, we share countless genes with plants and flies.
 - C. In fact, large numbers of genes vital for the ‘housekeeping’ function of our cells, such as repairing and reading DNA, match those that keep bacteria ticking over.
 - D. A gene named Sonic Hedgehog, for example plays a key role in the growth and orientation of a fly’s wings.
6. In human embryos, an equivalent gene orchestrates the growth of orientation of our arms.
- a. ADBC b. ACBD c. ABDC d. ABCD
-

90. 1. Mutual fund is a collective investment scheme in which a large number of investors pool in their money.
- A. The tax system prevailing till 1997 recognised the trust characteristics of mutual funds and thus exempted the income of mutual fund whereas the unit holders have to pay tax on income received from mutual fund.
- B. Mutual funds are thus established as trusts as required by the Securities and Exchange Board of India (SEBI).
- C. In 1997, when tax on dividend was exempted in the hands of the receivers but companies were required to pay dividend tax, it caused a peculiar situation for mutual fund investors.
- D. The tax rate depends on the nature of income (dividend or capital gains) and is applicable to such investor.
6. The government has denied extending the benefit to unit holder of mutual funds and asked the holder to pay tax on the dividend received thereby taking the dividend for a third time.
- a. BACD b. BDAC c. BCDA d. BADC

Direction for questions 91 to 98: Each question is based on a short passage or upon a set of given conditions. Choose the best answer for each question.

91. The most popular boys in school are Amit, Alok and Ajay. Right behind them in popularity are Rohit, Pradeep and Sanjay. All of these boys are members of the football team. If I join the football team my popularity is bound to rise.
- Which of the following best describes the author's form of reasoning in the passage above?
- a. He states a hypothesis, then gives an example in support of it.
- b. He gives an opinion, buttressing it with examples.
- c. He proceeds from individual examples to reach a conclusion through inductive reasoning.
- d. He states a commonly accepted theory and refutes it.
92. After seeing Akansha's scores go up after a summer of intensive tutoring, Rahul decided to use money from his savings account to pay Akansha's tutor to work with her again.
- Which is the most logical inference you can draw from the information given above?
- a. Akanksha's scores improved because of the tutoring.
- b. Rahul thought that Akanksha's scores improved because of tutoring.
- c. Akanksha's scores would have remained the same without tutoring.
- d. Rahul's scores will not improve without tutoring.
93. None of the professors at Cerebral College has ever voted for the right-wing parties, therefore, well-educated people are leftists.
- The reasoning used in the passage above is most similar to that found in which of the following statements?
- a. None of the workers in the assembly line are males; therefore, the company discriminates against men.
- b. None of the keepers at the zoo have had a raise in salary for six months; therefore, the keepers are not doing their jobs well.
- c. No athletes ever eat junk food; therefore, sedentary people always eat junk food.
- d. None of the singers at the opera are females; therefore all good singers are males.

94. No one in this whole school likes me very much. I did not get a single vote in the last student council election.
Which of the following, if true, would most weaken the conclusion given above?
a. No one knew that the speaker was running for a position in the last election.
b. Very few students bothered to vote in the last election.
c. Most of the faculty and administration supported the eventual winner of the last election.
d. The students usually vote for the most popular students.
95. Mrs Anand was running late for work and left the house so abruptly that she left the water running and all the lights on. Which of the following can you infer from the above passage?
a. Leaving water running and the light on can be expensive if done regularly.
b. Mrs Anand thought it was important not to be late.
c. Mrs Anand was afraid to be late, fearing she might be fired.
d. Mrs Anand is not a good organiser of her time.
96. When Sudesh was awarded the Manager of the Month plaque, he stated, "I couldn't have done it without my staff, all of whom I trained myself."
Sudesh's statement is an example of which of the following?
a. Indirect self-praise
b. Assuming facts not in evidence
c. A false conclusion
d. Restating the obvious
97. No one is safe from burglars anymore. Recent surveys show that 45 per cent of all burglary victims are weak, old and invalids.
The argument in the passage assumes which of the following?
I. Most burglary victims fight back.
II. Burglars only rob the helpless as a rule.
III. Burglary is on the upswing in India.
a. I b. II c. III d. I and II
98. The biggest movie stars in Hollywood all revere director Li Yong; therefore, director Li Yong is the best director in the world.
The reasoning in which of the following is most likely the reasoning used in the sentence above?
a. The Pulitzer Prize was voted to Mr Karl this year, therefore, Mr Karl is convinced that he is the best writer in the world.
b. The American runner won the 100 metre dash in the Olympics; the triumph allows him to be called "The Fastest Man on Earth."
c. All top models in Paris like the work of photographer Scavullo; therefore, Scavullo is the world's finest photographer.
d. Professor Martinez is the most interesting professor in America today; all the Rhodes scholars try to take his classes.
-

Direction for questions 99 to 103: In each question, a partially completed theme is given. The completed theme contains three sentences. Indicate which of the sentences should be inserted to complete the theme.

99. The bus ran down the slope. ____ It threw the passengers into a panic.
I. It oscillated gently due to the application of brakes.
II. It gently halted at the bottom.
III. It gathered speed as it went.
a. I b. II c. III and I d. II and III
100. Everyone is fascinated by dinosaurs. ____ Whether it is reading a book or visiting your local natural history museum.
I. They make colourless matter.
II. But understanding them takes effort.
III. It is like peering into yesterday.
a. I and II b. II and III c. III d. II
101. Last week a man, roughly 60 years old, rented a 0.38 calibre pistol at the shooting range. ____ Instead, he committed suicide.
I. He wanted to murder somebody.
II. He wanted to exercise his grip
III. He should have been there for target practise.
a. I b. I, II and III c. III d. II
102. The history of the black peoples' struggle for justice in Nigeria and elsewhere goes back a long way. ____ Justice though slow, seems in sight.
I. But it seems to be almost unattainable.
II. So long, that they are near giving up.
III. The struggle has crawled forward steadily.
a. III b. I c. II d. II and III
103. She smiled at him tenderly. Suddenly, her smile disappeared. ____
I. He ran screaming from the room.
II. It was replaced by a frown.
III. Her displeasure was inexplicable.
a. I and III b. II and III c. II, III and I d. II and I

Direction for questions 104 to 108: Each question has a sentence followed by four choices. Select from among the four choices the one which most logically complements the idea contained in the given sentence.

104. You are not in charge of the universe,
a. you are in charge of a part of it. b. in fact, you inhabit it.
c. you are in charge of yourself. d. you are no part of it.
105. In the hospital emergency, a doctor bends over an unconscious two-year-old, the child's breathing is rapid and shallow, his
a. pulse is pounding. b. speech is inarticulate.
c. hearing is impaired. d. eyes bright and shining.

106. The power of thinking atrophies unless
 a. it is constantly upgraded. b. it is continually updated.
 c. It finds a constant productive outlet. d. it is used.
107. War is delightful to those who
 a. have a chance of winning it. b. are zealous and full of ambition.
 c. love national glory. d. have had no experience of it.
108. It seems to me that our ideals, laws and customs should be based on the proposition that each generation, in turn, becomes the custodian rather than the absolute owner of our resources and each generation has the obligation to
 a. enjoy their life to the fullest.
 b. pass this inheritance on to the future.
 c. enhance them and to save them.
 d. use them at their will to enhance the glory of mankind.

Direction for questions 109 to 113: Four statements with blanks are given, followed by four alternatives. Choose the one which fits the set of statements the maximum number of times.

109. I. The council, I am sure, will ____ caution.
 II. Mr Ram Adhikari was ____ for the dependent.
 III. In light of the extreme sensitivity of the issue, he decided to keep his ____.
 IV. After a commercial evaluation, the panel thought fit to ____ the first proposal.
 a. advocate b. recommend c. counsel d. suggest
110. I. Richmond is an urban sprawl that has gradually ____ on the unspoiled countryside.
 II. In the Shyam Suvama case, the Mumbai High Court ruled the basic constitutional rights had been ____.
 III. The company maintained that the new product of the competition clearly ____ on their copyright.
 IV. The hawkers outside the Victoria Memorial have ____ on municipal property.
 a. encroached b. violated c. infringed d. intrude
111. I. The sorry plight of the child will ____ him to tears.
 II. They have asked me to ____ the piano upstairs.
 III. The new management will ____ all the backlog work on the sales manager.
 IV. This is an extremely tactical ____ on her part.
 a. reduce b. transfer c. shift d. move
112. I. He practises his ____ in the back alleys of Westminster.
 II. The teaching ____ has, since time immemorial enjoyed the respect of society.
 III. I would consider this a fair ____.
 IV. To him, it is more than a ____; it is a vocation.
 a. exchange b. trade c. profession d. occupation

113. I. A methodical man plans his work in a ____ manner.
 II. He is, I admit, rather ____ on the uptake.
 III. The river clogged as it was with rubbish, flowed in a ____ manner down the plains.
 IV. He is a man ____ to anger; but when roused, he is formidable.
 a. deliberate b. slow c. sluggish d. leisurely

Direction for questions 114 to 118: Fill in the blanks with the appropriate words/set of words.

114. While the honourable function of language is to ____ communication, we must remember that another of its historic functions, sometimes deliberate, sometimes accidental, is to ____ thought.
 a. facilitate ... promote b. promote ... conceal
 c. popularise ... prevent d. help ... enhance
115. Erosion in nature is a beneficial process; the same process ____ by human mismanagement has become one of the most ____ forces that had ever been released by man.
 a. enhanced ... lucrative b. hastened ... potent
 c. checked ... raucous d. accelerated ... destructive
116. It is my purpose, as one who lived and acted in those days, to show how easily the tragedy of the second world war could have been prevented; how the ____ of the wicked was reinforced by the ____ of the virtuous.
 a. malice ... weakness b. contempt ... malice
 c. weakness ... strength d. stubbornness ... weaknesses
117. Until a certain economic equality among the different parts of the world has been achieved, the poorer nations will ____ the richer ones, and the richer ones will ____ violent action on the part of those who are less prosperous.
 a. envy ... dread b. dread ... instigate
 c. berate ... recent d. respect ... prevent
118. Everyone has his own ideas of how man became man, and what life was like among creatures, no longer ____ but not yet ____, who inhabited the earth a million years ago.
 a. apes ... human b. enslaved ... free
 c. primitive ... civilized d. apes ... evolved

Direction for questions 119 to 128: Each question below contains six statements followed by four sets of combinations of three; Choose the set in which the statement are logically related.

119. A. No school boy studies hard.
 B. All school boys go to school.
 C. Some school boys are good at games.
 D. All school girls study hard.
 E. No school girl is a school boy.
 F. All school girls are children.
 a. ABC b. BCD c. ADE d. DEF

120. A. Some businessmen have good planning skills.
B. Some professionals have good planning skills.
C. Some businessmen have good implementation skills.
D. Some businessmen have good planning skills.
E. Good planning skills lead to good implementation.
F. Some businessmen implement well.
a. ACD b. ADB c. DEF d. ABC
121. A. Some humans are non-vegetarians.
B. All Indian are humans.
C. All humans need food to live.
D. All Indians are non-vegetarian.
E. Indians need food to live.
F. Some humans are Indians.
a. ADF b. ABC c. AEF d. BCE
122. A. All lions are brave.
B. All lions are regal.
C. All animals are lions.
D. All lions need food.
E. All animals need food.
F. All animals need rest.
a. CDE b. ABC c. BCD d. CEF
123. A. Final year students would like a good career.
B. All final year students are eligible as candidates for MBA entrance examination.
C. Final year students are eligible for a good career.
D. Some of those who are candidates for an MBA entrance examination are final year students.
E. All those eligible as candidates for an MBA entrance examination are eligible for a good career.
F. All those who would like a good career are entitled to it.
a. AEF b. EBC c. BCF d. CDF
124. A. All bright people acknowledge brains in others.
B. Some knowledgeable men are bright.
C. Some knowledgeable men do not acknowledge brains in others.
D. Some knowledgeable men are persons who are bright.
E. Some knowledgeable men are not bright.
F. All bright people do not necessarily acknowledge brains in others.
a. ABE b. ACF c. ADE d. ACE
125. A. Some thoughts lack clarity.
B. Anything unclear is not worth writing about.
C. Some thoughts are worth writing about.
D. All thoughts lack clarity.
E. Some thoughts are clear.
F. No thought is worth writing about.
a. ABF b. BCD c. BEF d. BDF

126. A. All successful people are satisfied.
 B. All hardworking people are satisfied.
 C. All hardworking people are successful.
 D. No hardworking person is successful.
 E. No hardworking person is satisfied.
 F. Some hardworking people are satisfied.
 a. ADE b. BEF c. ACB d. ADF
127. A. No dull person is fit to teach.
 B. Everyone who is bright can think.
 C. No young person can think.
 D. Some of those who think are fit to teach.
 E. All who can think are fit to teach.
 F. Everyone who is bright is fit to teach.
 a. BDE b. BEF c. BDF d. ADE
128. A. Some cricketers are disapproving of greed.
 B. Some cricketers are sincere.
 C. All cricketers are disapproving of greed.
 D. All those who are disapproving of greed are sincere.
 E. Some of those who are disapproving of greed are sincere.
 F. Some cricketers are not sincere.
 a. BCD b. ABD c. BCE d. ABF

Section – IV

Direction for questions 129 to 177: Read the passages and answer the questions that follow.

Passage – 1

As the century draws to a close, our great challenge is to create sustainable communities — social, cultural and physical environments in which we can satisfy our needs and aspirations without diminishing the integrity of the natural world and the chances of future generations.

In our attempts to build and nurture sustainable communities, we can learn valuable lessons from ecosystems, which are sustainable communities of plants, animals and micro-organisms. To understand ecosystems, we need to learn the basic principles of ecology, the language of nature. We need to become ecologically literate, or 'ecoliterate'.

Now, to understand the principles of ecology, we need a new way of seeing the world. We need to think in terms of relationships, connectedness and context. In science, this new way of thinking is known as systems thinking. It emerged during the first half of the century in several disciplines in which scientists explored living organisms, ecosystems and social systems, and recognized that all these systems are integrated wholes whose properties cannot be reduced to those of smaller parts.

Systems thinking was raised to a new level during the past 20 years with the development of a science of complexity. It involved a whole new mathematical language and a set of concepts to describe the complexity of living systems.

The emerging new theory of living systems is the theoretical foundation of ecological literacy. Instead of seeing the universe as a machine composed of elementary building blocks, scientists have discovered that the material world, ultimately, is a network of inseparable patterns of relationships that the planet as a whole is a living, self-regulating system. The view of the human body as a machine and of the mind as a separate entity is being replaced by one that sees not only the brain, but also the immune system, the bodily tissues, and even each cell, as a living, cognitive system. Evolution is no longer seen as a competitive struggle for existence, but rather as a cooperative dance in which creativity and the constant emergence of novelty are the driving forces.

This new vision of reality, informed by eco-literacy, will form the basis of our future technologies, economic systems and social institutions. It is obvious that this has profound implications for education in the 21st century. It will require a pedagogy that puts the understanding of life at its very centre. It will be an experience of learning that overcomes our alienation from the natural world and rekindles a sense of place. We will need a curriculum that teaches our children the fundamental facts of life — that one species' waste is another species' food; that matter cycles continually through the web of life; that the energy driving all ecological cycles flows from the sun; that diversity assures resilience; that life, from its beginning more than three billion years ago, did not take over the planet by combat but by networking. Teaching this new knowledge, which is also ancient wisdom, will be the most important role of education in the next century.

Because of its intellectual grounding in systems thinking, eco-literacy offers a powerful framework for the systemic approach to school reform that is now widely discussed among educators in many countries. Systemic school reform is based on, essentially, two insights — a new understanding of the process of learning and a new understanding of leadership.

Recent research in neuroscience and cognitive development has resulted in a new understanding of the process of learning, based on the view of the brain as a complex, highly adaptive, self-organizing system. The new understanding recognizes the active construction of knowledge in which all new information is related to past experience in a constant search for patterns and meaning, the importance of experiential learning, of diverse learning styles involving multiple intelligences, and of the emotional and social context in which learning takes place.

This understanding of the learning process suggests corresponding instructional strategies. In particular, it suggests designing an integrated curriculum, emphasizing contextual knowledge, in which the various subject areas are perceived as resources in service of a central focus. An ideal way to achieve such an integration is the approach called 'project-based learning', which consists in facilitating learning experiences that engage students in complex, real-world projects — for example, a school garden, or a creek restoration — through which they develop and apply skills and knowledge.

Such curriculum integration through ecologically-oriented projects is possible only if the school becomes a true learning community in which teachers, students, administrators and parents are all interlinked in a network of relationships, working together to facilitate learning. In such a learning community, the teaching does not flow from the top down, but there is a cyclical exchange of information. The focus is on learning and everyone in the system is both a teacher and a learner. Feedback loops are intrinsic to the learning process, and feedback becomes the key purpose of assessment. Systems thinking is crucial to understand the functioning of learning communities. Indeed, the principles of ecology can also be interpreted as principles of community.

Finally, the systemic view of learning, instruction, curriculum design and assessment can only be implemented with a corresponding practice of leadership. This new kind of leadership is inspired by the discovery of a very important property of living systems, which has been identified only recently. Every living system occasionally encounters points of instability, at which some of its structures break down and new structures emerge. The spontaneous emergence of order — of new structures and new forms of behaviour — is one of the hallmarks of life. In other words, creativity — the generation of forms that are constantly new — is a key property of all living systems.

Leadership, therefore, consists to a large extent in continually facilitating the emergence of new structures and incorporating the best of them into the organization's design. This type of 'systemic' leadership is not limited to a single individual but can be distributed, and responsibility then becomes a capacity of the whole.

In summary, eco-literacy includes three components: understanding the principles of ecology, thinking systemically, and using the principles of ecology and systems thinking as the context and language for school reform.

As we go toward the beginning of a new millennium, the survival of humanity will depend on our ability to understand the principles of ecology and live accordingly. This is an enterprise that transcends all our differences

of race, culture or class. The earth is our common home, and creating a sustainable world for our children and for future generations is our common task. This responsibility can only be fulfilled if we and our children can learn to live without damaging the fragile ecosystem.

129. Eco-literacy includes
- I. thinking systemically.
 - II. being a part of a universal drive to plant trees.
 - III. understanding principles of ecology.
 - IV. using the principles of ecology and systems thinking as the context and language for school reform.
- a. II, III and IV b. I, III and IV c. II and III d. All of these
130. Leadership as a creative force
- I. is limited to a single individual.
 - II. Is a reflection of a capacity of the whole.
 - III. helps in implementing systemic view of learning.
 - IV. facilitates emergence of new structure.
- a. I, II and III b. II and IV c. II, III and IV d. None of these
131. The new understanding of the process of learning emphasizes the following except
- a. the importance of experiential learning.
 - b. the importance of emotional and social context in which learning takes place.
 - c. the importance of understanding leadership.
 - d. the importance of diverse learning styles.
132. The most important role of education in the next century will be
- a. to put in place a pedagogy that has understanding of life at its very centre.
 - b. overcoming human alienation from the natural world.
 - c. systemic school reforms to end drug abuse.
 - d. teaching the new knowledge of 'eco-learning'.
133. Characteristic of learning community includes
- a. greater autonomy for the participants.
 - b. moving from a stage of interdependence to enhanced individual effort.
 - c. cyclic exchange of information.
 - d. top down approach to learning.
134. Ecological literacy stresses on all the following except
- a. material world as a network of inseparable parts.
 - b. evolution as a cooperative effort.
 - c. enhanced human interaction to facilitate environmental adjustment.
 - d. systemic thinking towards understanding the interdependencies involved.
135. The requirements for putting in place the new learning process include
- I. 'project-based' learning.
 - II. making schools a true learning community.
 - III. emphasizing contextual knowledge.
 - IV. designing an integrated curriculum.
- a. I and II b. I, II and III c. III and IV d. All of these

Passage – 2

Propaganda is more or less the systematic effort to manipulate other people's beliefs, attitudes, or actions by means of symbols (words, gestures, banners, monuments, music, clothing, insignia, hairstyles, designs of coins and postage stamps, and so forth). Deliberateness and a relatively heavy emphasis on manipulation distinguish propaganda from casual conversation or the free and easy exchange of ideas. The propagandist has a specified goal or set of goals. To achieve these, he deliberately selects facts, arguments and displays symbols and presents them in ways he thinks will have the most effect. To maximise effect, he may omit pertinent facts, and he may try to divert the attention of the reactors (the people whom he is trying to sway) from everything but his own propaganda.

Comparatively, deliberate selectivity and manipulation also distinguish propaganda from education. The educator tries to present various sides of an issue — the grounds for doubting as well as the grounds for believing the statements he makes, and the disadvantages as well as the advantages of every conceivable course of action. Education aims to induce the reactor to collect and evaluate evidence for himself and assists him in learning the techniques for doing so. It must be noted, however, that a given propagandist may look upon himself as an educator, may believe that he is uttering the purest truth, that he is emphasizing or distorting certain aspects of the truth only to make a valid message more persuasive, and that the courses of action that he recommends are in fact the best actions that the reactor could take. By the same token, the reactor who regards the propagandist's message as self-evident truth may think of it as educational; this often seems to be the case with 'true believers' — dogmatic reactors to dogmatic religious or social propaganda. 'Education' for one person may be 'propaganda' for another.

Related to the world propaganda, as it is more generally used, is the concept of 'propaganda of the deed'. This denotes taking non-symbolic action (such as economic or coercive action), not for its economic or coercive effects but for its possible propagandistic effects. Example of propaganda of the deed would include staging an atomic 'test' or the public torture of a criminal for its presumable deterrent effect on others, or giving foreign 'economic aid' primarily to influence the recipient's opinions or actions and without much intention of building up the recipient's economy.

Distinctions are sometimes made between overt propaganda, in which the propagandist and perhaps his backers are made known to the reactor, and covert propaganda, in which the source is secret or disguised — a 'hidden persuader'. Covert propaganda might include such things as unsigned political advertisements, clandestine radio stations using false names, and statements by editors, politicians, or others who have been secretly bribed by governments, political backers, or business firms. Sophisticated diplomatic negotiation, legal argument, collective bargaining, commercial advertising and political campaigns are of course quite likely to include considerable amounts of both overt propaganda and covert propaganda and to be accompanied by propaganda of the deed.

Another term related to propaganda is psychological warfare (sometimes abbreviated to 'psychwar'), which is the pre-war or wartime use of propaganda directed primarily at confusing or demoralizing enemy populations or troops, putting them off guard in the face of coming attacks, or inducing them to surrender.

Still another related concept is that of brainwashing. This term usually means intensive political indoctrination. It may involve long political lectures or discussions, long compulsory reading assignments, and so forth,

sometimes in conjunction with efforts to reduce the reactor's resistance by exhausting him either physically through torture, overwork, or denial of sleep or psychologically through solitary confinement, threats, emotionally disturbing confrontations with interrogators or defected comrades, humiliation in front of fellow citizens, and the like. The term brainwashing has been widely used in sensational journalism to refer to such activities (and to many other activities) when they have allegedly been conducted by Maoists in China and elsewhere.

Another related word, advertising, has mainly commercial connotations, though it need not be restricted to this; political candidates, party programmes, and positions on political issues may be 'packaged' and 'marketed' by advertising firms. The words promotion and public relations have wider, more vague connotations and are often used to avoid the implications of 'advertising' or 'propaganda'. 'Publicity' and 'publicism' often imply merely a subject known to a public, without educational, propagandistic, or commercial intent. The 20th century propagandist with money and imagination can use a very wide range of signs, symbols, and media to convey his message. Signs are simply stimuli — 'information bits' capable of stimulating, in some way, the human organism.

A symbol is a sign having particular meaning for a given reactor. Two or more reactors may of course attach quite different meanings to the same symbol. Thus, to Nazis, the swastika was a symbol of racial superiority and the crushing military might of the German folk; to some Asiatic and North American peoples, it is a symbol of universal peace and happiness. Media are the means — the channels — used to convey signs and symbols to the intended reactor or reactors. A comprehensive inventory of media used in the 20th century propaganda could cover many pages.

Among audiovisual media, television may be the most powerful for many purposes. Television can convey a great many types of signs simultaneously; it can gain heavy impact from mutually reinforcing gestures, words, postures and sounds and a background of assemblies of prestigious or powerful people. Other audiovisual media include public speakers, motion pictures, theatres, marching bands, mass demonstrations, picketing, face-to-face conversations between individuals, and 'talking' exhibits at fairs, expositions and art shows.

The larger the propaganda enterprise, the more important are such mass media as television and the press and also the organisational media — that is, pressure groups set up under leaders and technicians who are skilled in using many sorts of signs and media to convey messages to particular reactors. Vast systems of diverse organisations can be established in the hope of reaching leaders and followers of all groups (organised and unorganised) in a given area, such as a city, region, nation or coalition of nations or the entire world. Pressure organisations are especially necessary, for example, in closely fought sales campaigns or political elections, especially in socially heterogeneous areas that have extremely divergent regional traditions, ethnic and linguistic backgrounds and educational levels and very unequal income distributions. Diversities of these sorts make it necessary for products to be marketed in local terms and for political candidates to appear to be friends of each of perhaps a dozen or more mutually hostile ethnic groups, of the educated and the uneducated and of the very wealthy as well as the poverty-stricken.

136. According to the passage, the difference between a propagandist and an educationist blurs the most when
- both the latter and the former are deliberate and selective in their approach.
 - the former starts believing that he is acting in the best interests of the people.
 - the people do not see any reason to disbelieve the former.
 - both hold strong opinions on an issue.
-

137. According to the passage, an intensive effort to overcome the reactor's resistance is most likely to be used during
- psychological warfare.
 - brainwashing.
 - covert propaganda.
 - propaganda of the deed.
138. From the passage, we can infer all of the following except that
- if the reactor population is fragmented into different groups, there will be less reliance on mass media.
 - as propaganda machines and enterprises become larger, the use of audiovisual media is crucial.
 - specialists, in signs and symbols, will lessen in importance as a cleaved and heterogeneous reactor population is targetted.
 - large propaganda machines usually have various organisations that reach various opinion leaders and their follower groups.
139. According to the passage,
- a medium that helps us convey more than one type of symbol always has more impact than the written medium.
 - audiovisual media have an array of signs and symbols which are mutually exclusive.
 - television will have a heavy impact on a closely fought sales campaign in socially heterogeneous areas.
 - a large propaganda machine usually has numerous and diverse organisations operating within to carry out its objectives.
140. According to the passage,
- sensational journalism is a type of brainwashing.
 - education usually collects and evaluates evidence which is then presented to reactors.
 - a hidden persuader is most likely to convey self-evident truths to true believers.
 - an event used to influence people more than it affects them is 'propaganda of the deed'.
141. According to the passage, advertising
- can use both covert and overt propaganda.
 - is used only for commercial user.
 - need not have educational, propagandist, or commercial intent.
 - is used as a euphemism for promotion.
142. Which of the following statements is false?
- A propagandist may have good intentions.
 - An education is selective in the presentation of facts.
 - A covert propagandist may be known to his reactor.
 - A political party's position on an issue may be influenced by its advertising agency.

143. All the following are true of political candidates except that
- they need to forge relationships with conflicting groups.
 - their programmes are usually cosmeticised and packaged.
 - they need to market themselves in local terms.
 - they need diverse organisations to reach out to different groups.
144. From the passage, we can infer that
- covert propaganda is more frequent than overt propaganda.
 - propaganda of the deed is more likely to be covert propaganda than overt propaganda.
 - covert propaganda must necessarily use an intermediary person between the source and the reactor.
 - dropping leaflets exhorting surrender across lines during war is an example of covert propaganda.
145. According to the passage, an educator
- can be considered a propagandist.
 - will not be deliberate in his approach to a reactor.
 - will help a reactor to think as the educator does.
 - is not selective in his choice of reactors.
146. According to the passage, all the following are true except that
- a symbol can be meaningless.
 - a symbol could have different meanings to different reactors.
 - a symbol for one person could be a sign for another.
 - a meaningful sign is a symbol.
147. According to the passage, propaganda is
- the orchestrated use of symbolic actions to an end.
 - a harsher term for 'publicism' or 'publicity'.
 - the extensive use of symbols in mass media.
 - use of symbols to maximise a desired effect.
148. According to the passage, dropping leaflets behind enemy lines during war is an example of
- propaganda of the deed
 - covert propaganda
 - psychological warfare
 - brainwashing

Passage – 3

A green alternative to the petrol-driven car has just gone on trial in the world's fussiest environmental market. This week, two nails were hammered into the coffin of the internal-combustion engine. The first came when Toyota and General Motors, which between them make a quarter of the world's cars, signed a pact to develop alternatives. These include battery-powered cars, 'hybrid' vehicles that have both electric and petrol engines, and most significantly, vehicles powered by fuel cells. The second was the result of an alliance between Daimler Chrysler and Ford (another quarter of the world's car production), and Ballard Power Systems, a Canadian firm that has been developing fuel cells for use in vehicles for several years.

On April 20, two fuel-cell cars, one from Daimler Chrysler and one from Ford, were driven around the streets of California's capital, Sacramento. They were the first of a fleet of 45 cars and buses from the two car makers that are to be road-tested in California (mainly in the Los Angeles area) over the next four years. The tests will be conducted under the beady eye of John Wallace, head of Ford's Alternative Fuel division, and he will be looking to see how the vehicles stand up to the stresses and strains of ordinary daily use.

Mr Wallace's interests are satisfyingly prosaic—the sort of things that concern users as much as engineers. He is considering practical questions about the machines' reliability. For instance, it takes only a few seconds to start a modern petrol-driven car, but, at least in cold weather, a fuel cell needs several minutes of warming up before it can produce enough power to drive off. Mr Wallace wants to know how much of a pain that will be (perhaps not too much in southern California), and whether it can be reduced. He also wants to find some way of quietening the intrusive noise of the compressors that are needed to make a fuel-cell car work. And he particularly wants to investigate the infrastructure (refuelling stations, for example) that will be needed to support the widespread ownership of such cars.

The difficulty here is that fuel cells use not hydrocarbons but hydrogen. And hydrogen, being an explosive gas with a ridiculously low boiling point, is hard to handle routinely. Yet it is fairly easy to make it 'on the fly' from methanol, and it is this chemical (which is a liquid at room temperature) that drivers will eventually put in their tanks. Three oil companies (Shell, Texaco and Arco) are taking part in the tests, and they will make methanol for fuel-cell cars available at selected petrol stations. (Existing methanol available in Los Angeles contains 15 per cent petrol and is thus unsuitable.)

A fuel cell works by chemically combining hydrogen with oxygen from the air. The result is energy in the form of moving electrons, which is used to power an electric motor; and water, the fuel cell's principal waste product. That the GM-Toyota deal and the trial cars were wheeled out just before 'Earth Day' (April 22, for those who missed it) was probably not a coincidence. Water, after all, hardly counts as a serious pollutant. The tests are being carried out in California for a similar reason. The state's 'zero-emission vehicles' law requires 10 per cent of a car maker's sales there to be pollution-free by 2004. Since battery-powered vehicles have proved a flop — their range is too limited and they take too long to recharge — fuel-cell cars are seen as the best hope of complying with the legislation.

In practice, that has meant a fudge in the law. Fuel-cell vehicles that put hydrogen in their tanks (as the current prototypes do) are truly zero-emission, but those that use methanol release a tiny amount of carbon monoxide. They also release carbon dioxide (though less than a petrol-driven car), but that is not covered by the law. The Californian government, however, is not going to push the point too far. After all, the total energy-efficiency of the process of making, delivering and using the fuel (well to wheel, as they call it) in a methanol-fed fuel-cell vehicle is 27 per cent, compared with only 17 per cent in a petrol-engine vehicle. As a result, the government is prepared to credit methanol-powered fuel-cell cars as being worth 0.6 of a true zero-emission vehicle for legal purposes. If, that is, anyone is actually prepared to buy one.

That remains a big concern. At the moment, it costs around \$4,000 per kilowatt to make a fuel-cell engine as compared with \$40 per kilowatt for an internal-combustion engine. Mass production will eliminate some of that gap, but not all of it. And although the trial will help to work out the best way to deliver the fuel cell's hydrogen, and how to build a suitable distribution network, it will not necessarily bring the price down to the point where fuel cells can compete with petrol or diesel. That is a task of pure engineering.

Fuel cells come in several varieties, but the heart of the sort developed by Ballard is a polymer membrane coated on either side with platinum also acts as a catalyst. On one side of the membrane, hydrogen is decomposed into its constituent electrons and protons. The electrons disappear into the electrode, while the protons pass through the membrane. On the other side, the electrons return via the second electrode, having passed through the coils of an electric motor that drives the wheels of the car. Here they recombine with the protons and also oxygen atoms, to make water.

One source of high cost is obvious enough — the platinum. The amount needed has already been reduced, but it will have to be cut further. A second is the grooved graphite plates that are used to direct the flow of hydrogen and oxygen. These are being replaced with cheap carbon composites. On their own, these and similar economies should bring the cost of a kilowatt of output down to around \$20, if as many as twenty-five thousand engines a year were produced. But a fuel-cell engine is more than a stack of cells. If it is ultimately fuelled by methanol, it needs a chemical reactor known as a reformer to release the hydrogen. It also needs an efficient but cheap electric motor.

Reformers are bulky and expensive. Efforts to shrink them have run into problems, according to Firoz Rasul, Ballard's boss. The main one is that smaller reformers produce too much carbon monoxide. Besides diminishing the fuel cell's green credentials, this 'poisons' the platinum and stops it doing its job. So far, nobody has come up with an answer to this difficulty that does not involve shifting to another, presumably more expensive, source of hydrogen.

As for the motor, the main problems are that its magnets are made of molybdenums and titanium — both pricey — and that it needs a complex array of special switches called thyristors to control it. So yet another result that the organisers hope will come out of the road trials is some way of simplifying this electronic control system.

As the test cars paraded outside Sacramento's capitol building, their designers were no doubt keeping their fingers crossed that these difficulties will go away. But at least the photo opportunity was alluring: It was a beautiful, smogless day. Some time, if their dreams work out, all Californian days, even in Los Angeles, may be like that.

149. The reasons why the cost of fuel cells remains high include all the following except
- a. the magnets of the motor are made of molybdenum and titanium which are expensive.
 - b. methanol as a source of hydrogen is expensive.
 - c. reformers are bulky and expensive.
 - d. platinum used on either side of the polymer membrane is an expensive fuel.
150. Battery powered vehicles have proved a flop because
- I. Their range is too limited.
 - II. They take too long to recharge.
 - III. Costs are prohibitive.
 - IV. They require a lot of maintenance.
- a. I and IV b. III c. I and II d. III and IV
-

151. According to the passage, the tests being conducted under Mr John Wallace would focus on the following except
- searching for a cheaper fuel as against hydrogen.
 - investigating the infrastructure required.
 - finding out ways to lower the noise levels of compressors.
 - if and how the time required for warming up fuel cells can be reduced.
152. The passage suggests the following measures to make the cost of per unit fuel cell output comparable to the petrol engine output.
- Increased production to achieve economies of scale.
 - Replace grooved graphite plates with cheap carbon batteries.
 - Reducing the amount of platinum required.
 - Using cheap electric motors.
- a. II and III b. II, III and IV c. III and IV d. All of these
153. The Californian Government is prepared to be less stringent when it comes to fuel-cell cars using methanol as
- it is very difficult to track down an offender.
 - there are many public interest groups involved.
 - they have greater efficiency as compared to petrol engine vehicle.
 - to enhance their market acceptability.
- a. III and IV b. I, III and IV c. II and IV d. I and III
154. Hydrogen has proved to be a difficult fuel to handle because
- it vapourizes quickly.
 - its high boiling point requires greater amount of energy to ignite the mixture.
 - it is an explosive gas with a very low boiling point.
 - it is difficult to liquify.

Passage – 4

Brands are built by people. This is just as true in banking as it is in any other sector of business. In this respect, at least we can be sure that nothing is likely to change in the new millennium. The fundamental prerequisites of a strong brand will also continue to apply.

To be strong, a brand should reflect a set of values based on reality. The more deeply understood these values are by everyone inside and outside the bank, the more likely the bank is to be successful.

Brand values should be promoted consistently over time across all communication disciplines, including visual, behavioural and promotional.

The greatest value of a brand is its ability to separate you from your competitors. The ultimate reward for achieving a strong brand is loyalty which renders customers, employees and investors immune to competitor activity and actively supportive of change, be it strategic or product innovation.

But whatever the strength of the brand, its market position will face continual challenge from competitors. Therefore, building successful bank brands starts with the depth of an organization's commitment to continually deliver customer satisfaction.

It is said that it takes about five years to build a brand and five minutes to lose one. The secret of long-term brand strength is the ability to track closely the perceptions of your customers against your organisation's brand values and those of your competitors to ensure that your desired position reflects reality or stays tolerably close to it.

But brand values alone are not enough. Analysis of the brand values adopted by the world's major banks reveals remarkable similarity. 'Big, trustworthy, safe, powerful, professional, reliable, helpful, customer-focused', etc. — all. As financial markets continue to open up, growth-hungry commercial investment and development banks, insurance companies, finance companies, mutual funds and other institutions are converging on the financial services market. Players outside the traditional financial industry are intent on entering the market; technology companies, Internet players, retailers, car companies, almost anyone with access to a defined customer base now seems to have the potential to add financial services to their product offering.

The channels of contact between banks and their customers will continue to multiply. Currently, Standard Chartered customers communicate with us through the Internet, telephones, ATM, cards, PCs, televisions, mobile phones, mailing, banking halls, advertising media and news coverage. In the next millennium, new technology will enable us to create even more exciting solutions to satisfy the needs of our customers.

I am convinced that despite the continuing proliferation of communication channels and promotional media, the fundamental brand concept will still hold true in the new millennium. Brands will continue to be made not by technology, but by people.

For Standard Chartered, building a more successful brand will continue to be driven by the development of our culture, which has at its core the wholehearted commitment of our employees to providing world-class customer service.

155. The author suggests that

- I. it is technology that ultimately drives the brand.
 - II. the channels of contact between banks and their customers will continue to multiply.
 - III. the brand comes to life with the identification of core values and customer perception.
 - IV. having a defined customer base is an important prerequisite for offering financial services.
- a. I, II and IV b. II, III and IV c. All of these d. None of these

156. According to the passage, challenges facing the banking sector don't include

- a. need for being sensitive to local market requirements.
 - b. relating to target customer segments.
 - c. different legal and accounting requirements.
 - d. implementation of the agreed strategy.
-

157. The success and the strength of a brand can be measured by all except
- ability to separate yourself from your competitors.
 - contribution to the firm's bottomline.
 - the ability to reflect a set of values based on reality.
 - ability to track closely the perception of your customer.
158. All the following have been the impact of Internet and e-commerce on banking except
- initial customer trail leading to permanent customer loyalty.
 - the need to offer your target customer an increasingly broader range of services than your competitor.
 - strategic horizon for doing business reduced to three to four weeks.
 - creation of completely new brands possible in a matter of weeks.

Passage – 5

Does the human immunodeficiency virus (HIV) cause acquired immune deficiency syndrome (AIDS)? According to Dr Roberto A Giraldo of the Laboratory of Clinical Immunology at the New York Hospital — Cornell Medical Centre, it does not. Toxins and malnutrition, coupled with other factors that stress the immune system, probably cause AIDS, says Dr Giraldo, a Columbian by birth. A member of a worldwide forum called the 'Group for the Scientific Reappraising of the HIV/AIDS Hypothesis' or 'Scientific Reappraisal Group', he is of the opinion that AIDS is not an infectious disease and that it makes no logic to say that it is sexually transmitted or caused by a germ. Dr Giraldo was part of a three-member team that visited India on February 1, espousing this theory.

The other two medical experts who accompanied Giraldo were Dr De Harven, emeritus professor of pathology at the University of Toronto, and Dr Koehnlein, who was trained at the Haematological Oncological Department of Kiel University and who has been treating AIDS patients since 1992. Dr Harven says that he 'started to worry ever since pharmaceutical companies began sponsoring medical research'.

After noting the effects of azidothymidine (AZT) and other standard antiviral regimes, Dr Koehnlein treats AIDS patients without administering antiviral and immunosuppressives. He claims to have kept HIV-positive patients alive and well. The three doctors and other experts were invited by Purushothaman Mulloli, convener of the Joint Action Council, a forum that has been projecting an alternative view in the HIV/AIDS debate since the mid-1990s.

Dr Giraldo, Dr Koehnlein and Dr De Harven belong to a 'dissident' group of 2,000 researchers, which includes three Nobel laureates including the inventor of the polymerase chain reaction (PCR) test, a test used to detect HIV. Talking to Frontline, Dr Giraldo said that whenever a new disease affected people, the basic question to be asked was what was new about the condition from which the disease had supposedly originated? He said that the first cases of AIDS in the United States were reported among five gay persons. They were not 'normal gay people'; they were drug addicts using cocaine, heroin and popper, an aphrodisiac that came to be used widely in the late 1960s and early 1970s. Popper, a derivative of amyl nitrite, is known to destroy the immune system. Dr Giraldo said that it was well known that cocaine destroyed the immune system and so did heroin, alcohol and marijuana. These were immunological stressors which, in conjunction with other factors, including abysmally low food intakes, caused AIDS.

Dr Giraldo maintains that basic mistakes were made in the beginning of AIDS research in the 1980s. Having studied infectious diseases since 1965 and done a specialised course in the subject, Dr Giraldo began asking himself questions premised on simple doubts: why did two out of 10 people get tuberculosis while the rest did not? Since the beginning of the century, people have had immune deficiencies and it made little sense to say that the virus that caused AIDS would selectively go about its victims. In the mid-1970s, Dr Giraldo got interested in Kaposi's sarcoma, which was prevalent in Central Africa and which occurred in heavily immune-suppressed persons, such as those who underwent chemotherapy for cancer and so on. Another parasitic condition called Toxoplasmosis was found among heavily immune-suppressed people who were not gay or who did not belong to the high-risk category. Both Kaposi's sarcoma and Toxoplasmosis were associated with AIDS.

AIDS, Dr Giraldo emphasises, is caused by stressors-mental, physical, biological and chemical. He admits that while it is easy to explain that HIV caused AIDS, it is difficult to understand his group's hypothesis. It is simple logic that prolonged exposure to drugs or toxins causes various reactions in the human body. Of late different groups of people are being exposed to various stressors, in high amounts. Contracting AIDS is not easy, he says. Normally, the human body is strong enough to deal with several stressors at the same time. However, these days, people get exposed to a wide variety and large amounts of stressors.

Dr Giraldo says that chemical stressors involve reaction to drugs of various kinds. People use more drugs today than they did 20 years ago. With high degrees of pollution everywhere, even in food, chemical exposure levels are on the rise.

Physical stressors include technological gadgets, such as computers, cell phones, wireless, satellites and so on that create electromagnetic fields which affect the immune system. Dr Giraldo quoted a Canadian study that revealed a high incidence of cancer among people working near high-tension wires.

Biological stressors are caused by the intrusion of living objects into the human body, says Dr Giraldo. Sperm is a biological stressor and so is blood. He says that commercial sex workers were exposed to a large quantity of sperm. A study conducted on the health of commercial sex workers during the Vietnam war revealed that the poorer among them, who entertained a relatively large number of customers each day, had higher rates of infection. Although wary of drawing a correlation between promiscuity and the immune system, Dr Giraldo says that nutritional stressors coupled with biological stressors can debilitate the immune system. Homosexuality, according to him, has always existed but now it is associated more than ever before with phenomena, such as drug abuse. Regarding mental stressors, he says that it is an accepted fact in medicine that mental stress produces certain chemical reactions in the body which affect the immune system.

Dr Giraldo holds the view that the causes of AIDS in developing countries are different from that in developed nations. If some homosexuals in the US or Europe were found to have AIDS, in Africa it is not so; neither do people in Africa 'do Poppers', or 'have sexual orgies', according to him. Similarly, the gay population in poor countries are not contracting AIDS. Commercial sex workers who are exposed to poverty and drugs are the ones who contract AIDS, he says. He says that in developed countries, physical and mental stressors are the main factors causing AIDS, and in developing or under-developed nations, malnutrition is the main reason.

Dr Giraldo says that never before in the history of humankind had there been so wide a difference in the per capita income levels of people as now. Never before have people in poor countries been so poor and malnourished while rich people so rich.

For Dr Giraldo and his group, AIDS is a toxic syndrome and not an infectious one. He says that he met Dr Robert Gallo, the scientist best known for discovering the cause of AIDS, and asked him as to how it was possible that AIDS was transmitted homosexually in developed countries and heterosexually in Africa. The answer was that no research has been done to prove that AIDS was sexually transmitted and neither was the HIV virus isolated. Dr Giraldo says that on April 23, 1984 without presenting any scientific discussion or paper Dr Gallo and three others announced to the US media that HIV leads to AIDS and that the researchers of the Federal Government had discovered the same.

Each of the three tests widely used to detect the presence of HIV — ELISA, Western Blot, and PCR — all have a caveat that testing alone cannot confirm HIV presence. However, pharmaceutical companies knew this fact and yet actively promoted the tests. There are more than 70 conditions that made people react positively to the ELISA Test, he says.

Dr Giraldo and his group believe that there is a new condition called AIDS and never before was humankind exposed to this kind of immune deficiency. They want AIDS research to be done independently of HIV though there are very few journals which would even entertain a statement of the Scientific Reappraisal Group requesting a reappraisal of the HIV/AIDS hypothesis'.

159. Examples quoted to substantiate Dr Giraldo's arguments include that
- I. Canadian study revealing a high incidence of cancer among people working near high tension wires
 - II. gay population in poor countries don't contract AIDS.
 - III. in Central Africa, people who underwent chemotherapy for cancer would be associated with AIDS.
 - IV. first cases of AIDS in US included 5 not 'normal' gay people.
- a. I, II and III b. II and IV c. I and III d. All of these
160. Which among the following is not a belief held by Dr Giraldo regarding AIDS?
- a. It is not an infectious disease.
 - b. It is not sexually transmitted.
 - c. It is not caused by a germ.
 - d. It is not related to toxicity levels.
161. According to the passage, which of the following are false?
- I. Testing alone can't confirm HIV presence.
 - II. AIDS research in 1980s was largely without any mistake.
 - III. No research has been done to prove that AIDS is sexually transmitted.
 - IV. Scientists have managed to isolate the HIV virus.
- a. I and III b. II and III c. II and IV d. III and IV
162. Who among the following personalities has not been involved in projecting an alternative view over the HIV/AIDS debate?
- a. Dr Robert Gallo
 - b. The inventor of PCR test
 - c. Dr De Harven
 - d. Dr Giraldo
-

163. According to Dr Giraldo,
- AIDS is not caused by stressors.
 - contracting AIDS is not easy as the human body is quite resilient.
 - causes of AIDS in developing countries to a large extent are same as those in developed countries.
 - the effects rather than the origin of new disease should be the basis of the study.

Passage – 6

Why are we afraid of certain animals? Fear inclines us to be cautious, which would have been essential in the survival of our forebearers and is, perhaps surprisingly, still essential today. Humans evolved alongside the great carnivores and developed a healthy respect for them. Their superior physical attributes — power, weapons and speed — meant they could easily run down, capture and kill humans. To survive, our ancestors had to rely on superior intelligence, combined with a degree of caution acquired at an early stage in life.

Man is born prepared to fear the unusual. This natural caution was, and still is, shaped by experience — it was obviously beneficial to learn to distinguish between animals that were dangerous and those that were not. An infant, crawling away from the security of its cave-dwelling parents and the warmth of the fire, was more likely to come into contact with wild animals. It was important for human babies, in their helpless state, to avoid things which could be dangerous. It is therefore at this stage that we are most prone to developing strong fears of unusual objects and animals.

All animals need to be afraid to stay alive. Freedom from fear is, from a survival point of view, a bad thing. Fear is a response to a perceived danger, and if we no longer felt it as we approached the cliff edge or the motorway pile-up, we would all have shorter lives.

Although fear is an experience we all have and can recognise, it is not easy to define. One solution is simply to say that fear is what we feel when we are afraid — but this does not take us very far! Fear can cover a range of emotions from mild unease to blind panic. Also, because we are dealing with something as subjective as an emotion, it is hard to understand it objectively: your emotions may be quite different from mine when faced with a charging rhino.

Perhaps the most obvious starting point is with the effects fear has which we can observe. This is where Darwin began — The frightened man first stands like a statue, motionless and breathless. . . the heart beats quickly and violently. . . the skin instantly becomes pale. . . the hairs also on the skin stand erect and the superficial muscles shiver. . . in connection with the disturbed action of the heart, the breathing is hurried. . . the mouth becomes dry. . . one of the best marked symptoms is the trembling of all the muscles of the body and this is often first seen in the lips . . .

Most of the physical changes we associate with fear are generated by adrenaline, a hormone secreted by the adrenal gland. If we are given an injection of adrenaline, the sympathetic nervous system reacts and we sweat, our heart rate increases, our pupils dilate and our hair stands on end. We exhibit all the physical symptoms of fear but we do not necessarily feel afraid. So the state of physiological arousal alone is not sufficient to induce the emotion of fear.

The quotation from Darwin which sparked off so much discussion of the relationship between physical and mental states raises another essential question — What is the origin of our fear? For Darwin, as for so many ethologists today, the origins of human emotions lie in our animal ancestry. Fear has a survival value, not only in making us avoid dangers, but in preparing us to cope with them. Darwin pointed out that the increased pulse rate and breathing make the animal better able to fight or to flee; the thinly scattered hairs stand erect over a human's body through the action of the same minute muscles as those which make an animal bristle and so appear larger and more terrifying to its enemies. Fear equips us to cope with danger. If we want to understand it better, we should look carefully at the animals with whom we have a shared evolutionary history.

At this point, we need to deal with an approach to the natural world that many biologists today think of as a major folly: anthropomorphism. This simply means attributing human emotions and motivations to animals. Scientists who work in the field of animal psychology and behaviour watch each other like hawks for any sign of this misdemeanour and do not hesitate to scream loudly when they come across it. It was a common mistake among field naturalists of the 19th century, and is common today in children's books and a certain genre of natural history television film. Because serious zoologists always get into a lather about it, we need to get it into perspective. If an animal runs away from danger, it is reasonable to say that it is afraid? We know that the physiological responses are the same in humans as in other animals, and that they tend to be attributable to infusions of adrenaline into the bloodstream. So, although we can never be sure that an animal feels fear in the same conscious way as we do, it seems reasonable to say that an animal which shows the same physiological symptoms as ours in the face of danger is afraid.

Humans have refined and developed fear in subtle ways that arise from our twisted psychologies. A phobia is a fear which is out of all proportion to the actual danger, and cannot be reasoned away. Phobias have been reported since the time of Hippocrates, but were not recognised as disorders in their own right until the end of the 19th century. It seems to have taken the professionals a surprisingly long time to recognise something that most of us come across from time to time. Perhaps they were loath to label as a disorder something which affects everybody to a small degree.

Amongst the most common phobias are those involving insects, snakes, diseases and animals in general. A survey of fears conducted in America in the early 1980s produced some surprising results: here in the apparently violent and crime ridden culture of the United States, the fear of being mugged didn't feature. People were more afraid of speaking in front of an audience than anything else, and this was twice as terrifying to them as insects and bugs.

164. The most striking aspect of this passage is
- a. its vivid description of human evolution and fear in modern societies.
 - b. its simple illustration as to how psychology and environment work together to shape our basic instincts.
 - c. the highlighting done regarding the evolution of fear in humans and its religious overtones.
 - d. its evidence that fear is necessary for survival of the fittest.
165. The author is most likely to agree with the following except
- a. the natural instinct of fear takes shape with passage of time.
 - b. fear is natural to all of us and mostly, is easily recognised and hence can be explained easily.
 - c. fear is likely to change our physical and emotional state.
 - d. emotions vary from person to person and hence reactions to fearful situations also vary.

166. The author is least unlikely to agree with all of the following except
- a. fear is a necessary emotion, the absence of which makes our survival difficult.
 - b. anything subjective is a bit difficult to understand in the objective sense.
 - c. the human babies' example tells us that experience is not at all necessary to incite fear.
 - d. motorway pile-ups incite fear if we go near them.
167. The language of the passage can best be categorised as
- a. elaborate and descriptive yet simple.
 - b. inquisitive and thought provoking.
 - c. humorous at times but overall not focussed.
 - d. philosophical and subtle yet challenging.
168. '... get into a lather. . .' reflects
- a. that zoologists get to the floating parts of the issue.
 - b. that zoologists get into a quarrel about anthropomorphism.
 - c. that phobias have been a cause of serious psychological trouble to most of the people.
 - d. that anthropomorphism can never be the key to understanding human psyche in relation with fear.
169. An appropriate title to the passage can be
- a. *Fear and the Human Psyche.*
 - b. *Fear, Evolution and Man.*
 - c. *Fear as an Instinct.*
 - d. *Fear and Survival.*

Passage – 7

Why a demarcation criteria for science and metaphysics? The intention of establishing an ideal demarcation criteria is not to draw a line to separate the meaningful from the meaningless. Neither is its function to eliminate either one of the disciplines. A demarcation criteria attempts to distinguish. A clear distinction and hierarchy between the two disciplinary categories is needed to establish critical analysis of knowledge, a central tendency in scientific evaluation.

The human intellect is never fully satisfied with plain descriptions of the observed — it will attempt to interpret and explain it either through science or metaphysics. The essence of science is the search for an objective reality and attempt to establish rational consistency in a seemingly irrational world. Metaphysics, quite on the contrary, provides answers to questions and produces non-contradictory explanations for the world's irrationalities. A dedicated scientist may spend a lifetime seeking solutions, yet he will end up unveiling a new multitude of questions and paradoxes, some of them unsolvable. A metaphysical thinker, however, may see paradoxical phenomena as the yet unknown manifestations of something that cannot be comprehended. In metaphysical areas of knowledge, such as religion and astrology, solutions to all phenomena are presented detached of uncertainty or critical doubt. One must recognize, however, that in scientific history, metaphysics in the form of myths has often had a significant positive impact on scientific development. Myths existed before science — methodological science was a reaction and backup to mythological metaphysics.

The idea of dualism is a highly relevant foundation in the quest for an ideal demarcation criteria. In general terms, metaphysics attempts to detach phenomena from objects in which they appear. Once detached, a phenomenon becomes an essence of its own, something merely acting on an object. For example, a mystic of the middle ages would see sickness as a mystical something acting on the patient thus dualistically identifying the sickness and the patient as two separate essences interacting. Science, on the other hand, seeks to bind objects and phenomena together and make the phenomenon a manifestation of the object's essence — the sickness becomes a reaction of the body. Another common example would be the dualism of the mind: introducing a soul is metaphysics, however, defining consciousness as a chemical brain function would be scientific monism.

All systems of knowledge are founded on the use of language. Thus, a clinical approach to demarcation is the examination of the system of paradigms utilized by both science and metaphysics. Standard logic can analyze statements in terms of their relations and structural truth-value, however, it cannot introduce content analysis. Conclusive statements can be evaluated in terms of their premises, and premise series can be logically filtered for gaps and contradictions. However, all language methods appear to be encompassed by limiting cases. For example, if a paradigm that does not stem from empirically proven premises is considered metaphysical, natural laws test out unscientific. Equally, if contradictions are found to exist within a series of premises, no derived statement is founded on the reality described by the premises. In the early 20th century, European philosophers of science Sir Karl Popper and Rudolf Carnap attempted to create methods of language-based demarcation without final success. They even sought to formulate a model of a new language incapable of expressing metaphysical statements. In practice the attempt proved futile.

The information content of a scientific statement can be either proved or falsified. Since such evaluation is necessarily based on observation and analysis, an experiment or simulation can be used to present the content of the statement. The usual source of scientific paradigms is the scientific method, which introduces a system of observation and examination that will certify the scientific value of a theory. If a paradigm can be proven empirically, it has obvious scientific value. However, even falsification is a step forward since it will add to scientific knowledge. A metaphysical statement, on the contrary, yields no proof or falsification since it cannot be approached by empirical means. It may stem from sublime experiences or of divine doctrine — hence cannot be proved or falsified.

The core of science has long thought to be the scientific method. As a logical and empirical system of observation, analysis and formulation it provides science with an internal logic. A new distinction between science and metaphysics can be presented: science has the empirical foundation and inductive method, whereas metaphysics is based on a speculative and expectational method. In order for a field of knowledge to be scientific, it must be backed up by a series of systematic and concrete observations and non-fallible logic. Though it may extend models beyond strict evidence, it will primarily build up on facts, whether contradictory or not. Metaphysics performs 'theory' development by beginning from expectations and extending to speculative models to find correlation with a specific phenomenon. However, metaphysical fields such as astrology may seek evidence of the reality by closely empirical means. The position of a planet may be described as the empirical proof of a phenomenon even though the method has been turned upside down. The phenomenon is observed and the speculative model adjusted to explain it without room for contradiction.

Probability can also be used as an element of an ideal demarcation criteria. If a paradigm cannot be directly proved or falsified through an experiment or logic, one can observe the probability of falsification or proof if an

empirical experiment could be conducted. Related observations, logical assumptions and series of consistency can be used as tools to certify such probability. Non-testable statements will prove radically improbable, therefore, metaphysical. If a phenomenon is of indirectly observable nature, such that its properties are reflected on and from other objects, any model of the essence of the phenomena will gain probability value. For example, the observation of stars losing mass or acting against gravitational predictions is considered reflective proof of the probability of a black hole model, though the essence of the black hole can be formulated only in the abstract. Among human sciences, psychology provides reflective evidence of behavioural phenomena — hence tested models are probable to falsification or proof.

A scientific statement can be used as a basis for prediction. Prediction necessitates the existence of consistent interpretation models that can be tested universally in specific conditions. Since metaphysical statements tend to be simultaneously specific and general, they also tend not to have significant predictive value. Furthermore, a metaphysical paradigm cannot be used for prediction since it does not, in most cases, systematically account for fluctuating variables. The predictability value can be criticized to be case relative, however, in most cases, it introduces a significant property in terms of demarcation.

The boundary between metaphysical and scientific systems of knowledge is seldom obvious. For example, in abstract fields, such as quantum physics and psychology, strict falsifying or proving may appear equally impossible as with metaphysical statements. In quantum mechanics, the concept of the uncertainty principle suggests that some observations may never reach the status of certainty due to limitations in possible observation. In psychology, similar uncertainties exist as distractions and inauthentic conditions in between the observer and the observed psychological phenomena. Absolute proof may not be acquired but the pursuit is considered scientific. As 20th century theoretical physicists such as Albert Einstein have shown, a distinctly empirical scientific area of research can eventually extend beyond its concrete and observational limits. However, calling the special and general theories of relativity metaphysics would imply of a problematic demarcation criteria. Theology is generally accepted to be based on metaphysical foundations, yet a methodically scientific system is constructed upon them. Therefore, should theology be called a metaphysical human science? An ideal demarcation criteria will not only provide with field distinctions, but will present a hierarchy in which scientific knowledge is ranked more valuable and useful than metaphysical knowledge. In the demarcation of science and metaphysics, a clear hierarchy of the two disciplinary categories emerges. Knowledge that has not been critically evaluated and analyzed cannot be used in the development and derivation of further knowledge — it is not authentic knowledge. Even the most elaborate architectural wonder will fall into ruins unless each one of its elements is carefully evaluated. That is why in all areas of research and exploration the evaluation of acquired information is a central and fundamental process. As discussed, metaphysical knowledge lacks the qualities of evaluated knowledge. Thus, it can be concluded that metaphysics may be an important field for a human, an emotional and believing being, but in terms of functional knowledge science outranks metaphysics in disciplinary hierarchy.

170. Why is there a need to establish demarcation criteria between science and metaphysics?
- To separate the meaningful from the meaningless.
 - To eliminate one of the disciplines.
 - Demarcation between the two disciplines leads to a hierarchy in knowledge.
 - Distinction and hierarchy is needed to establish critical analysis of knowledge.
-

171. The essence of science is
- a. to provide answers to questions about the nature of the universe.
 - b. to provide rational consistency to a seemingly irrational world.
 - c. to explain all the irrational phenomenon in the world.
 - d. to provide description of observed phenomenon.
172. The text implies that science outranks metaphysics in terms of functional knowledge in disciplinary hierarchy. Metaphysics has all of the following characteristics except
- a. it cannot be used in the development and derivation of further knowledge, since it cannot be critically evaluated and analyzed.
 - b. it is unable to evaluate acquired information.
 - c. it can be used as a basis for prediction.
 - d. it is based on speculative and expectational method.
173. It is difficult to establish a clear-cut boundary between scientific and metaphysical systems, because
- a. strict falsification or proof can prove to be as difficult in some areas of science as in metaphysics.
 - b. in quantum mechanics, the concept of the uncertainty principle suggests that some observations may never reach the status of certainty due to limitations in possible observation.
 - c. knowledge that has not been critically evaluated and analyzed cannot be used in the development and derivation of further knowledge — it is not authentic knowledge which is always the case in metaphysics and at times in science.
 - d. prediction necessitates the existence of consistent interpretation models that can be tested universally in specific conditions.
174. The following are the differences between science and metaphysics as outlined in the passage except
- a. the essence of science is the search for an objective reality and attempt to establish rational consistency in a seemingly irrational world. Metaphysics, quite on the contrary, provides answers to questions and produces non-contradictory explanations for the world's irrationalities.
 - b. a dedicated scientist may spend a lifetime seeking solutions, yet he will end up unveiling a new multitude of questions and paradoxes, some of them unsolvable. A metaphysical thinker, however, may see paradoxical phenomena as the yet unknown manifestations of something that cannot be comprehended.
 - c. scientific knowledge is one which has been verified by observation, analysis, experiments and simulation, whereas metaphysics is satisfied with providing descriptions of what is observed, without seeking to provide explanations or interpretations of the observed phenomena.
 - d. science seeks to bind objects and phenomena together and make the phenomenon a manifestation of the object's essence — the sickness becomes a reaction of the body. Metaphysics, on the other hand, attempts to detach phenomena from objects in which they appear. Once detached, a phenomenon becomes an essence of its own, something merely acting on an object.
175. The following words can be associated with science whether as a tool or a characteristic except
- a. probability.
 - b. prediction.
 - c. empiricism.
 - d. dualism.
-

176. Select an appropriate title for the passage.
- a. *Critical Analysis of Knowledge*
 - b. *Demarcation*
 - c. *Hierarchy of Knowledge Systems*
 - d. *Knowledge of Science and Metaphysics*
177. The author probably ranks science over metaphysics in the hierarchy to distinguish. The reason is:
- a. the essence of science is to provide answers to questions about the nature of the universe.
 - b. in quantum mechanics, the concept of the uncertainty principle suggests that some observations may never reach the status of certainty due to limitations in possible observation.
 - c. knowledge that has not been critically evaluated and analyzed cannot be used in the development and derivation of further knowledge — it is not authentic knowledge. That is why in all areas of research and exploration, the evaluation of acquired information is a central and fundamental process. Metaphysical knowledge lacks the qualities of evaluated knowledge.
 - d. the predictability value can be criticized to be case relative, however, in most cases it introduces a significant property in terms of demarcation.
-

Diagnostic CAT

Answers and Explanations

1	a	2	d	3	b	4	b	5	d	6	c	7	c	8	a	9	d	10	d
11	c	12	a	13	c	14	d	15	b	16	c	17	b	18	d	19	c	20	d
21	b	22	a	23	d	24	d	25	c	26	a	27	c	28	b	29	a	30	d
31	d	32	b	33	b	34	c	35	b	36	a	37	d	38	d	39	c	40	d
41	d	42	b	43	a	44	b	45	b	46	d	47	d	48	c	49	d	50	a
51	b	52	d	53	d	54	c	55	a	56	b	57	b	58	a	59	d	60	c
61	b	62	a	63	c	64	d	65	d	66	d	67	c	68	b	69	a	70	a
71	c	72	a	73	c	74	b	75	c	76	b	77	d	78	c	79	c	80	b
81	b	82	a	83	d	84	b	85	d	86	c	87	b	88	c	89	b	90	a
91	c	92	b	93	d	94	a	95	b	96	a	97	b	98	c	99	c	100	b
101	a	102	a	103	b	104	c	105	a	106	d	107	d	108	b	109	a	110	a
111	d	112	d	113	b	114	b	115	d	116	a	117	a	118	a	119	c	120	c
121	d	122	a	123	b	124	d	125	d	126	c	127	b	128	c	129	b	130	c
131	c	132	d	133	c	134	c	135	d	136	c	137	b	138	c	139	c	140	d
141	a	142	c	143	d	144	b	145	b	146	a	147	d	148	c	149	b	150	c
151	a	152	d	153	a	154	c	155	c	156	c	157	b	158	a	159	d	160	d
161	c	162	a	163	b	164	b	165	b	166	c	167	b	168	b	169	b	170	d
171	b	172	c	173	a	174	c	175	d	176	a	177	c						

Scoring table

Total questions	Total attempted	Total correct	Total wrong	Score	Time taken
177					

- Four birds at 80% feed for 60 days.
Hence, for 16 days at 100% feed, number of birds
 $= 4 \times \frac{80}{100} \times \frac{60}{16} = 12$
- He sells 2 birds, hence 10 birds have feed for 24 days.
- Use the choices.
- From 100 to 200 there are 101 numbers. There are $100 \cdot 1^8$ in the hundredth's place.
 $10 \cdot 1^8$ in the tenth place
and $10 \cdot 1^8$ in the units place.
- Use options.
- Use options.

Questions 7 and 8:

The number is divisible by 99 thus it is divisible by 11 also. Now sum of odd and even digits is $33 + Q$ and $16 + P$. Thus $17 + Q - P$ is either 0 or 11 or 22 ... now $Q > P$. Thus $Q - P$ is +ve but < 9 as both are single digit numbers since $Q - P > 0$ and $17 + Q - P$ cannot be 0 or 11 and can only be 22 as $Q - P < 9$ thus $Q - P = 5$
Now since it is divisible by 99 it is divisible by 9 too
 $\Rightarrow 49 + P + Q$ is divisible by 9
Thus $P + Q = 5$ or 14. But as maximum value of Q is 9 and $Q - P$ is 5. Thus, maximum value of $P + Q = 13$
 $P + Q = 5$
Thus, we get $P = 0, Q = 5$.

- Let t be the number of Rs. 10 traveller's cheques that were cashed and let f be the number of Rs. 50 traveller's cheques that were cashed. Then $t + f = 7$, and t is either $f + 1$ or $f - 1$. Thus, either $t = 4$ and $f = 3$, or $t = 3$ and $f = 4$. In the first case, the value of the lost cheques would have been Rs. $1,500 - t$ (Rs. 10) - f (Rs. 50) = Rs. $1,500 - Rs. 40 - Rs. 150 = Rs. 1,310$; whereas, in the second case, the value would have been Rs. $1,500 - Rs. 30 - Rs. 200 = Rs. 1,270$. The lesser of these amounts is Rs. 1,270.

- $\frac{(a+b+c)}{3} = 6, \frac{(b+c+d)}{3} = 7, d - a = 3$
Hence, no unique solution can be obtained as the last equation can be derived from the first two.

- The price becomes $\frac{6}{5}$ of original price.
Hence, quantity bought = $\frac{5}{6}$ of original quantity.
Hence, there must be a minimum of 6 oranges purchased originally.
- Centre of circumcircle will lie on centroid of triangle formed by connecting centres of three circles.

$$\text{Centroid } \frac{2}{3} \left(\frac{\sqrt{3}}{2} \times 2R \right) = \frac{2}{\sqrt{3}} R$$

$$\therefore \text{Area} = \pi \left(\frac{2}{\sqrt{3}} R + R \right)^2$$

- The point C has to move through $2\pi (2r)$.
So number of revolutions = 2.
- One function is increasing and other decreasing for maxima,
 $\therefore x = \frac{1}{2}$, hence, $y = \frac{5}{16}$
- Let the length of the journey = x km and the speed of the train = v km/hr

$$\text{Then, } \frac{1}{2} + \frac{3}{4} + \frac{x - \frac{v}{2}}{2v} - \frac{x}{v} = 1 \frac{1}{2} \quad [\text{converting minutes to hours}]$$

$$\text{Also, } \frac{\frac{v}{2} + 60}{v} + \frac{3}{4} + \frac{x - \frac{v}{2} - 60}{2v} - \frac{x}{v} = 1$$

Solving for x , we get $x = 120$ km and $v = 60$ km/hr

- $\log(x^3 \times y^2) = a \Rightarrow 3 \log x + 2 \log y = a \dots (i)$
 $\log(x^2 \times y) = b \Rightarrow 2 \log x + \log y = b \dots (ii)$
Solving (i) and (ii), $\log x = 2b - a$
- Let GP gross pay = Rs. 1,000
After 20% deduction, remaining = $1000 \times 80\%$ = Rs. 800
Rs. $800 \times 5\%$ tax = Rs. 40
Rs. $40 + 10\%$ of 40 (surcharge) = Rs. 44.
 $\therefore$ When the amount of tax is Rs. 44, GP = Rs. 1,000
 $\therefore$ Rs. 11,000, GP = $\frac{1000}{44} \times 11000$
= Rs. 2,46,363 nearly Rs. 250,000
- The number of revolutions is inversely proportional to the number of teeth. Therefore the largest wheel has to make the least number of revolutions.
- $AA + BB = CDC$
As sum of 2 two-digit numbers cannot be greater than 200 so $C = 1$
Hence, the only value of $D = 2$.
- Assume the work has 150 units (LCM of 3, 10, 5).
Hence, Paul does 9 units per day. In 5 days he finishes 45 units.
The rest 105 units are being completed in 7 days.
Hence, 15 units are being done by Peter and Paul each day. So Peter does 6 units per day.

He will take $\frac{150}{6} = 25$ days to complete the job alone.

Alternative method:

Paul does $\frac{3}{10}$ of work = 5 days.

So in 1 day Paul does $\frac{3}{50}$ work

Remaining work = $1 - \frac{3}{10} = \frac{7}{10}$

Now 1 day's work of Paul + Peter

$$= \frac{7}{10} = \frac{1}{10}$$

$$\therefore 1 \text{ day Peter's work} = \frac{1}{10} - \frac{3}{50} = \frac{1}{25}$$

Peter requires 25 days to complete the work.

21. 20 may be factorised as (20,1); (-20,-1); (5,4); (-5,-4); (10,2); (-10,-2). a may be 21, -21, 9, -9, 12 or -12, i.e. six values.

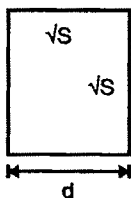
Questions 22 to 26:

We have $1400 = 2 \times 2 \times 2 \times 5 \times 5 \times 7 = L \times J \times K$
Thus

	J	L	K	L + J + K
1.	35	2	20	57
2.	25	2	28	55
3.	35	4	10	49
4.	25	4	14	43
5.	35	5	8	48
6.	28	5	10	43
7.	20	5	14	39
8.	40	5	7	52
9.	25	7	8	40
10.	20	7	10	37

Since we know that $(L + J + K)$ will not help us to deduce the ages, as $L + J + K = E$'s age is 43 (choices 4 and 6). Thus if telling P's age would allow the deduction of the ages P's age cannot be anything else but 5 (as otherwise L may have been 4 or 5 in each of those cases). Thus $L = 4$, $P = 5$, $K = 14$, $J = 25$, $E = 43$. Hence, the solution for the set follows.

27.



Height $\sqrt{S}$

$$\Leftrightarrow d = \sqrt{S}. \therefore r = \frac{\sqrt{S}}{2}$$

$$\text{Volume of cylinder} = \pi r^2 h = \pi \left(\frac{S}{4}\right) (\sqrt{S})$$

$$\therefore \text{Volume} = \frac{\pi}{4} (S)^{\frac{3}{2}}$$

28. Take one section and open up all its 3 links. Now you can easily join the remaining 4 sections with these links to form a complete chain. Cost = $3 \times \text{Rs. } 10 = \text{Rs. } 30$.

29. Let the speed of the goods train be X m/s, and that of the passenger train, Y m/s. In 28 s the goods train covered $28X$ (m), and the passenger train, $28Y$ (m). Therefore, $28X + 28Y = 700$.

The goods train passes the signal lights in $\frac{490}{X}$ s and the

passenger train in $\frac{210}{Y}$ s.

Therefore, $\frac{490}{X} - \frac{210}{Y} = 35$, Solving the two equations,

$X = 36$ km/hr and $Y = 54$ km/hr.

Short cut:

Check direct from option (a), 36 km/hr = 10 m/s and

54 km/hr = 15 m/s. So goods train takes 49 s $\left(\frac{490}{10}\right)$ and

passenger train takes 14 s $\left(\frac{210}{15}\right)$. Hence goods train

takes 35 s longer than the passenger train.

30. Use the options.

31. Since the ratio in which they work is $5 : 4 : 2$,

5 women = 4 men, therefore, 3 women = $\frac{12}{5}$ men and 4

women = $\frac{16}{5}$

5 children = 2 men, therefore, 4 children = $\frac{8}{5}$ men and 7

children = $\frac{14}{5}$ men.

Therefore, if $2 + \frac{12}{5} + \frac{8}{5} = 6$ men reap 10 hectares in 10

days, then $6 + \frac{16}{5} + \frac{14}{5} = 12$ men will reap 16

hectares in $10 \left(\frac{6}{12}\right) \left(\frac{16}{10}\right) = 8$ days.

32. When x is an integer the difference is 0 . Otherwise 1 .

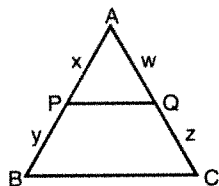
33. If $\{x\}$ is odd, then $\{x\}$ is even and vice versa.

34. The value lies between $[0.8 + 0.7 + 0.6]$ and $[0.999... + 0.999... + 0.6]$. In either cases the answer is the same.

35. The solution is $(1 + 2) = 2x$

36. Let $2^x = y$ and solve.

37.



$$\text{So } m = 0.5; \frac{x}{y} = 0.5; \frac{w}{z} = 0.5$$

$$\text{So } \frac{\text{ar}(\Delta APQ)}{\text{ar}(\Delta ABC)} = \left(\frac{1}{2}\right)^2 = \frac{1}{4}$$

$$\therefore \frac{\text{ar}(\Delta APQ)}{\text{ar}(PQCB)} = \frac{1}{(4-1)} = \frac{1}{3}$$

38. x men played $2 \times 2x$ games with women and $x(x-1)$ games among themselves the difference being 66.
So $x(x-1) = 4x + 66$

$$\Rightarrow x^2 - 5x - 66 = 0$$

$$\Rightarrow x = 11, \text{ so } x + 2 = 13$$

39. The net inflow into the tank is $\frac{7}{8}$ of earlier since it is

taking $\frac{8}{7}$ times the original time.

Hence, the leak must be reducing the rate by $\frac{1}{8}$.

Hence, if the inlet pipe takes 3.5 hr the leak will take $8(3.5)$ or 28 hr to empty the tank.

Alternative method:

$$3.5 \text{ hr} = \frac{7}{2} \text{ hr.}$$

It gets $\frac{1}{2}$ hr more to fill the tank,

i.e. if the tank is full, the time taken by the leak to empty it

$$= \frac{2}{7} - \frac{1}{4} = \frac{1}{28}, \text{ so } 28 \text{ hr.}$$

40. The area of cross section of the cylinder depends on the initial level of water and on the fact whether the block was completely merged in water or not.

41. The area of the figure is $6s^2 \text{ cm}^2$ and the perimeter is $14s \text{ cm}$.

$$\Rightarrow 6s^2 = 14s \text{ or } s = \frac{14}{6}$$

42. If 'abc' is the original three digit number, then
 $(100a + 10b + c) - (100c + 10b + a) = 99(a - c) = \dots 4$.
For this to happen, $a - c$ must be 6. Therefore, the number will be $99 \times 6 = 594$. Therefore, the other digits from left to right are 5 and 9 respectively.

43. First 10 min = $10 \times 1 = \text{Rs. } 10$
Next 20 min = $20 \times 4.5 = \text{Rs. } 90$
Next 20 min = $20 \times 8 = \text{Rs. } 160$
Next 90 min = $10(7 + 6 + 5 + 4 + 3 + 2 + 1 + 1 + 1)$
= Rs. 300
Total bill = $10 + 90 + 160 + 300 = \text{Rs. } 560$

44. Choice a, c and d are rejected. (Blue and red balls are not adjacent in a and d, purple ball is in a higher number than orange in c)

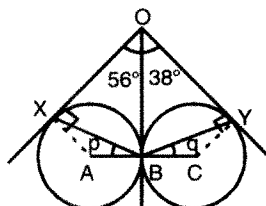
45. Since red ball is hidden adjacent to blue and 5th number box is occupied by green.

46. (a) Green is number 5.
(b) Purple cannot be, since it has to be at box lower than orange.
(c) Red cannot be because it has to be adjacent of blue ball.

47. By condition (i) where 5th box is occupied by green ball.

48. Only c is definitely true.

49.



$$\angle OXA = 90^\circ; \angle OBA = 90^\circ$$

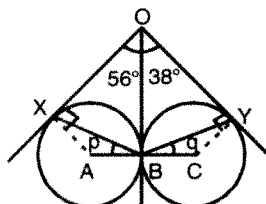
$$\therefore \angle XAB = 360^\circ - (90^\circ + 90^\circ + 56^\circ) = 124^\circ$$

ΔXAB and ΔYCB are isosceles triangles.

$$\text{Hence, } \angle p = \frac{56}{2} = 28^\circ \text{ and } \angle q = \frac{38}{2} = 19^\circ$$

$$\therefore \angle p - \angle q = 9^\circ$$

Alternative method:



In the figure

$OX = OB$ as they are the lines drawn from a single point that are tangent to the circle.

$\therefore \Delta OXB$ is an isosceles triangle.

And $\angle OXB = \angle OBX = x$
 $\therefore$ In $\triangle OXB$, $x + x + 56 = 180$
 $x = 62$
 And $\angle OBA = \angle OBX + \angle XBA$
 $90 = 62 + P$
 $P = 28^\circ$
 Similarly, $OB = OY$
 $\therefore$ In $\triangle OBY$ is Isosceles triangle.
 $\angle OBY = \angle OYB = y$
 In $\triangle OBY$
 $y + y + 38 = 180$
 $y = 71^\circ$
 $\angle OBY = \angle OBY + \angle YBC$
 $90^\circ = 71 + q$
 $q = 19$
 $\therefore p - q = 28 - 19 = 9^\circ$

50. Vibhor had lost 4 gallons.
 Since he travelled at 50 miles per hour for 4 hr
 $= 200$ miles, he used 8 gallons $\left(\frac{200}{25}\right)$ for the journey.
51. Marks per minute spent, for very difficult questions
 $= \frac{5}{7} = 0.7$
 Difficult questions $= \frac{3}{5} = 0.6$
 Not so difficult questions $= \frac{1}{2} = 0.5$
 Priya should do the maximum possible 'very difficult' questions. So in 60 min, she will solve $\frac{60}{7} \approx 8$ questions
 (4 min will be left over). In these 4 min she can answer 2 'not so difficult' questions.
 So marks obtained $= 8 \times 5 + 2 \times 1 = 42$
52. $1\frac{2}{3}$ hr = 100 min
 As seen in the previous problem, she should attempt the maximum possible 'very difficult' questions so number of questions $= \frac{100}{7} = 14$ questions.
 2 minutes will be left over in which she can do one 'not so difficult' question.
 Marks obtained $= 14 \times 5 + 1 \times 1 = 71$.
53. To get exactly 12 marks Priya should answer 2 'very difficult' and 2 'not so difficult' questions.
 Total time $= 2 \times 7 + 2 \times 2 = 18$ min

Questions 54 to 58:

	1992	1993	1994	1995	1996
Sales to fixed asset ratio	1.45	1.51	1.66	1.65	1.25
Net profit to sales ratio	24%	28%	24.66%	24.61%	26.6%
(NP ratio)					
(Sales to fixed asset ratio)	34.8	42.3	41.0	40.6	33.2

The solution for 53 to 56 can be derived from this chart.

57. Approximately 8%
58. Should be $> 24.6\%$, but $< 26\%$.
59. We only know Y2K-compliance of the companies sampled, not all companies in India.
60. $\left(\frac{53}{34}\right) \times 100 = 156\%$
61. Services has 23% of 58 companies which gives the highest number of companies.
62. Partially compliant companies = 94
 60% become compliant
 Remaining = 40% of 94
 Non-compliant companies = 97
 10% become compliant
 Remaining = 90% of 97;
 Remaining $0.4 \times 94 + 0.9 \times 97 = 125$
63. Manufacturing has 4th rank in both categories.
 Govt/PSU has 3rd rank in both categories.
64. We do not know the total number of companies in each segment, we only know the sample size.
65. (a) comes out to be near 84%.
 (d) comes out to be near 96%.
 Hence, (d) is the answer.
66. Capacity addition $= \frac{76278}{106102} \times 100 = 71.9\%$
67. $\frac{4579}{9264} \times 100 = 49\%$
68. $\frac{10.202 - 4579}{4579} \times 100 = 123\%$
69. $2.44 \times 10202 \approx \text{Rs. } 24,900$ crores

Questions 70 to 75:

The following table can be constructed from the data given.

Region	Weight (approx.) (in tonnes)		Branded salt (market share in %)		
	Branded	Unbranded	Kaptan Kook	Bata salt	Annaswamy salt
A	450	675	40	35	25
B	365	300	50	0	50
C	460	460	50	25	25
D	750	325	25	25	50
E	225	525	25	50	25

Questions 70 to 72 can be answered from the above information.

73. We can eliminate Bata salt by observation.
Sale of Kaptan Kook = 40% of 450 + 50% of 365 + 50% of 460 + 25% of 750 + 25% of 225 = 836.25 tonnes.
Sale of Annaswamy salt = 25% of 450 + 50% of 365 + 25% of 460 + 50% of 750 + 25% of 225 = 25% of (450 + 460 + 225) + 50% of (750 + 365) = 841.25 tonnes
74. Sales of Bata salt = 25% of (460 + 750) + 50% of 225 + 35% of 450 = 572.5
Difference = 836.25 – 572.5 = 263.75
75. Region E.
76. D introduces soil as the subject of the passage. B should follow as it explains why soil is under threat, as stated in D.
77. A should be the first sentence as it introduces the elephant as the subject which is later referred to as 'it'.
78. B should be the first sentence as it introduces the subject matter, i.e. unanimous encounters with wild animals. A elaborates what such events do. C should follow as it uses the phrase 'is also a confirmation'. D concludes the passage by saying that such events can move beyond the more apparent boundaries of reality.
79. C tells us that the passage is about wild animals 'speaking' to humans. B should follow as it states how this belief has come about.
80. C should be the first sentence as it introduces a proper noun – 'the ancient Chinese' which is later referred to as 'they' in D. A should logically follow B as it sums up B by saying 'choice was limited'.
81. C is clearly the introductory sentence. It should be followed by B as it names different ages. D should be the concluding sentence as it talks about the greatest project of human civilization, in last 500 years.
82. The use of 'Nowadays' suggest that C should be the first sentence, followed by A which tells us why it is easy to maintain a car.
83. C introduces the communication devices with antennas as the subject of the passage. A should logically follow due to its use of the phrase 'these smart antennas'.
84. A should precede D as D states the effect of growing of green manure in the inter row spacing, as was required by the experiments mentioned in A. 6 should follow as it mentions the results of these experiments.
85. D should follow 1 as it refers to the 'same symptoms' which are mentioned in 1. A logically follows as it uses D as a reason for facts presented in D. C should precede 6 as it mentions that a large number of people are afflicted by the disease, though 'few cry out' as is mentioned in 6.
86. C refers to the voyage as 'this', so should be the sentence following 1. A mentions the ultimate effect of the voyage, and should be the next sentence. B supports A and D6 cries for victory.
87. C mentions a particular reason for the leaders to be nervous, and should follow 1, which was mentioned that the region has many strategic tensions. A should follow C as it elaborates on the state of the armed forces.
88. A should be the first sentence in the series as it refers to the first step, i.e. the emission of the light, followed by C which states how more light is emitted. B states that light is confined in a chamber with mirrors and D should thus follow it as it states the effect of these mirrors.
89. 1 talks about 'most' of the genes, so A which talks about 'rest' of them should follow. B should be followed by D, as it gives an example to elaborate upon B. 6. should follow D as it talks of an 'equivalent gene' in humans.
90. B should follow 1 as it comments upon the fact presented in 1. A talks of the period till 1997, while C refers to 1997. So A should be followed by C. D should follow C as it uses the phrase 'such investor' for the 'mutual fund investor' mentioned in C.
91. The author has given some examples and, through inductive reasoning, reached the general conclusion that all popular boys are members of the football team.
92. Rahul would have used the money from his account to pay the tutor only if he thought that Akansha's scores had increased due the tutoring.
93. The author reasons that if no females sing in operas, no females are good singers.
94. If no one voted for the speaker because no one knew that the speaker was running for the elections, then this would weaken the argument that the speaker did not get a single vote because no one liked her.
95. The answer can be b or c. But c is assumed in b, as Mrs Anand thought it was important not to be late. The reason could be that she felt that if she were late she would be fired.
96. In praising his staff, he has indirectly praised himself.
97. Only if it is assumed that burglars rob only the weak and helpless, whom they can overpower, can we say that "no one is safe from burglars anymore".

98. All X respect Y, therefore Y is the best. This reasoning is same as the one given in choice C. All X like to work with Y, therefore Y is the best.
99. The bus would have gathered speed going down the slope and oscillated due to braking. Therefore, C.
100. I is irrelevant to the given topic. Therefore, B.
101. The use of 'instead' would be justified by use of something totally opposite to what he had done. The word 'rather' would be appropriate for choice C.
102. Only if the struggle has continued steadily, would justice seem in sight even if it is slow.
103. II would logically follow the given sentence, due to its use of 'it' for 'the smile'. III would follow as the smile had suddenly vanished, so the pleasure would most probably be inexplicable.
104. a and d are logically not correct. c is the best option as it puts the universe and you at two opposite ends.
105. A 'pounding pulse' best complements 'rapid breathing'.
106. 'Atrophy' means to waste away due to lack of exercise. So to prevent atrophy, a thing needs to be used.
107. War can be delightful only as long as one has not been involved in it.
108. A generation is just a custodian of ideals, laws and customs, so should pass it on to the next generation.
109. 'Advocate' can be used as a verb in I and IV, and as a noun in II and III.
110. 'Encroached' can be used in all the sentences, except II, as encroached is always followed by on/upon.
111. 'Move' can be used in all the sentences, as a verb in I, II and III and as a noun in IV.
112. 'Occupation' can be used in III and IV, while 'trade' and 'profession' can be used only in I and II respectively.
113. 'Slow' can be used in II and IV.
114. Here, we are talking of two functions of communication, one of which is honourable, and the other not so desirable (as can be inferred from the use of 'while' in the beginning of the sentence.) Conceal fits best in the second blank.
115. While natural erosion is beneficial, erosion caused by humans is destructive.
116. 'Malice' is the best adjective to describe 'the wicked'.
117. The poor envy the rich, and the rich dread some violence from the poor may be due to this envy.
118. We are talking about the process of evolution of man, so the best choice would be one that implies a move from apes to man.
119. A and D are mutually exclusive sets, hence no schoolgirl is a schoolboy.
120. Some A is B. B is C. Some A is C.
121. All A is B and all A is C. this means that some C are B.
122. If all A are B and all B are C, it follows that all A are C.
123. If all A are B and all C are A, it follows that all C are B.
124. If all A are B but some C are not B, it follows that some C are not A.
125. If all A are B and all C are A, then all B are also C.
126. If all A are B and all C are A, then it follows that all C are B.
127. If all A are B and all B are C, then it follows that all A are C.
128. If some A are B and all A are C, then it follows that some who are C are also B.
129. Refer paragraph 13.
130. Refer paragraph 12.
131. Refer paragraph 8.
132. Refer the last paragraph.
133. Refer paragraph 10, line 4.
134. All other have been mentioned in paragraphs 5 and 6.
135. Refer paragraph 9.
136. Refer paragraph 2, lines 8-10.
137. Refer paragraph 6, line 3.
138. (a) can be inferred from paragraph 11 which states that in such cases, product has to be marketed in local terms. (b) can be inferred from paragraph 11, line 1 and (d) from paragraph 11, lines 3 and 4.
139. Refer paragraph 11.
140. This can be inferred from para 3 which gives an example of 'propaganda of deed'.
141. Refer paragraph 4.
142. Refer paragraph 4, line 2.
143. Refer paragraph 11.
144. Refer paragraph 3 and 4.
145. Refer paragraph 2.
146. Refer paragraph 9, line 1.
147. Refer paragraph 7, line 4.

- | | |
|--|--|
| 148. Refer paragraph 5. | 163. Refer paragraph 6, line 4-5. |
| 149. (a) has been stated in paragraph 13, line 1; (c) in paragraph 12, line 1 and in paragraph 11, line 1. | 164. The author has done so by comparing the human and animal psychology and their reaction to fear. |
| 150. Refer paragraph 5, lines 6 and 7. | 165. Refer paragraph 4, line 1. |
| 151. Refer paragraph 4. | 166. The author states that it is important even for babies to avoid things that could be dangerous, and even an infant instinctively does so. |
| 152. (a) has been suggested in paragraph 9, (b) in paragraph 11, line 2; (c) in paragraph 11, line 1; (d) in paragraph 11, line 6. | 167. The first line is a question and throughout the passage, the author provides us facts about how psychology and environment work together to form our basic instincts. |
| 153. III can be inferred from paragraph 8, and IV from lines 4-5 of paragraph 8. | 168. Refer paragraph 8. |
| 154. Refer paragraph 5, lines 1-2. | 169. The passage is about man's reaction to fear, and how evolution can be used to study it (refer paragraph 7). |
| 155. All of them are mentioned in the passage. | 170. Refer paragraph 1, line 5. |
| 156. Can be inferred from the passage. | 171. Refer paragraph 2, line 2-3. |
| 157. (a) can be inferred from paragraph 4 line 1; (c) from paragraph 2 and (d) from paragraph 6. | 172. Refer paragraph 2, line 3-4. |
| 158. Customer loyalty is something the bank has to work for. | 173. Refer paragraph 9, line 2-3. |
| 159. I can be inferred from paragraph 8; II from paragraph 10; III from paragraph 5, line 6; IV from paragraph 4, line 5. | 174. Refer paragraph 6, line 12. |
| 160. Paragraph 12 states that it is a toxic syndrome. | 175. Refer paragraph 3 which states that dualism can be used for metaphysics, not for science. |
| 161. II can be inferred from paragraph 12, lines 5-6; III from paragraph 12, line 4. | 176. The passage tells us about different systems of knowledge. |
| 162. All others have been mentioned in paragraph 4, lines 1-2. | 177. Refer paragraph 9, lines 16-18. |



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"Accreditation is like an ISO certification"



Pritam Singh, director of IIM-Lucknow, is the man driving the B-school's ongoing makeover. But when we met him, it was to quiz him on his other role – as a member of AICTE's (All India Council for Technical Education) accreditation board. Here are excerpts from the interview

Businessworld: What is the relevance of AICTE in management education?

Pritam Singh: It is extremely important for improving the standards and bringing uniformity. If a school is not approved, the corporate world will not touch it. It matters even to a graduate who has to go for higher studies.

Businessworld: How does the approval process work?

Pritam Singh: Institutes have to apply to AICTE before they start an MBA programme and AICTE sends a committee to check. The committee looks at whether the institute has the minimum number of computers and books, minimum number of faculty members and built-up area.

Businessworld: Why is approval not enough to ensure quality education?

Pritam Singh: AICTE operates on trust. And unfortunately, the trust of AICTE is not always honoured by people. AICTE has made a tremendous effort to clean up the mess. I have seen the struggle of AICTE to revamp the system.

A few years back, when I was the chairman of the extension committee (which extends the approval period), I had enforced the criteria that a school must have a minimum of five permanent faculty members per 60 students in the first year and seven members in the second. Sixty-five percent of the applications were rejected when I used the criteria.

There was a lot of pressure, but the former chairman D. Nigam stood by the decision.

Extension norms are being made liberal for the better schools. AICTE now says that schools that have done extremely well can get extension for 3-5 years. It means that AICTE is happy with the quality standards and sustainability.

Businessworld: How important is accreditation? Should all B-schools go in for it?

Pritam Singh: Accreditation is more rigorous. A committee goes to the school and stays there for 2-3 days. I am a strong believer that the moment you go for accreditation, your processes improve. You look at curriculum, processes, interface with industry.

Now AICTE is saying that all schools should be accredited. If you are accredited, you are entitled to AICTE grants for research and resources. In the West, there are accredited and non-accredited schools. In India accreditation used to be A, B and C, but is being changed to accredited and non-accredited to encourage more schools to apply.

I went for accreditation (when I was director of MDI) in order to improve my processes. MDI got tremendous mileage out of accreditation. I would say all new schools that want to improve their perception should go for accreditation. It's like an ISO certification. ■

TASMAC (Training and Advanced Studies in Management and Communications Ltd.), a premier and autonomous management institute offers management degrees validated by the prestigious University of Wales, UK, at its Pune campus. TASMAL has always kept high quality standards for itself and as a result, has always been known for exacting yardsticks of quality and excellence.

This unflinching adherence to only the very best has yielded dividends in the form of two

Communications Ltd. (TASMAC) was inspected by the British Accreditation Council for Independent Further and Higher Education in October 2002.

BAC's inspectors reported on a very good or excellent standard of provision in all of the areas assessed. They considered TASMAC to be a College with a clear vision, a commitment to quality, excellent administrative systems and procedures, and capable, enthusiastic staff. Teaching was well-structured and well-informed,

Adding another trophy to its list of

TASMAC

achievements, it also has validation by the University of Wales, UK to offer BA (Hons.), MBA & MSc (in Information Systems) degree programmes in India. University of Wales is the second-largest university and one of the four Federal Universities in the UK, the other three being University of Oxford, University of Cambridge and University of London.

TASMAC: A NEW PARADIGM IN MANAGEMENT EDUCATION

path-breaking achievements that place TASMAC in the elite league.

In 2001 TASMAC became the first management institute with ISO 9001:2000

offering a good balance between theory and examples drawn from the real world. Students responded very well to classes which were academically challenging and at a level

With the syllabus and the method of teaching, everything is validated and approved by the University of Wales. Studying here is as good as studying in University of Wales. An added advantage is that the tuition fees charged are much lower than what an international student would pay in UK, with the degree certificate issued by University of Wales itself.

The BA (Hons) degree programme offered by the institute is a two-year taught programme and is followed by a compulsory project study of six months. The MBA and MSc (in Information Systems) degree programmes, on the other hand, are one year full-time taught programmes and every student is required to submit a dissertation after that. An integral part of the curriculum, the dissertation is a 20,000 word business and academic report, after the submission of which students are qualified to receive the MBA degree from the University of Wales.

The institute boasts of special modules, which enhance the quality of the MBA programme and give it an extra edge over the others. These modules are 'personal and interpersonal development' which lays emphasis on leadership issues, development of creative skills and effective communications, 'organizational values and business ethics' under a distinctively separate head; and 'personal and organizational development' which plays a dominant role in the operation and success of any business.

In sync with the needs of the changing times, TASMAC has created a new paradigm of management education. Where the focus is on globally relevant education and emphasis is on uncompromising level of excellence.



certification. Subsequently in Nov. 2002 TASMAC was accredited by British Accreditation Council, the only public guarantee of standards in independent institutions of further and higher education in the UK. Only 12 institutions have been accredited so far outside UK and TASMAC becomes the first and the only institution outside UK/Europe to be so accredited.

The British Accreditation Council for Independent Further and Higher Education (BAC) says in their report on TASMAC...

"Training and Advanced Studies in Management
a n d

appropriate to British higher education.

Training and Advanced Studies in Management and Communications Ltd. (TASMAC) was accredited and recognised by the British Accreditation Council as an institution providing higher education in November 2002."

TASMAC has been one of the rare institutes that has always kept abreast of the changing times when boundaries are fading and opportunities are expanding.

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TASMAC has been approved by the Business and Technical Educational Council (BTEC), UK, to offer 10 diploma courses for which the certificates will be awarded from the UK. BTEC qualifications are recognized internationally.



Checked by an AICTE Committee

Institute/ Programme	Grade	Period of validity	Status w.e.f.
Amrita Institute of Management, Coimbatore (TN)			
PGDM	B	3 years	April 24, 2002
Apeejay School of Marketing, New Delhi (Delhi)			
PG Diploma in Business Management	B	3 years	Nov 9, 2001
Bharath Institute of Science & Technology, Chennai (TN)			
MBA	C	3 years	April 24, 2002
Birla Institute of Technology, Mesra (Jharkhand)			
MBA	B	3 years	Nov 13, 2002
Chh. Shahu Central Institute of Business Education & Research, Kolhapur (Maharashtra)			
MBA	B	3 years	April 24, 2002
Crescent Engineering College, Chennai (TN)			
MBA	B	3 years	April 24, 2002
Dr M.G.R. Engineering College, Chennai (TN)			
MBA	C	3 years	Aug 6, 2002
Hindustan College of Engineering Chennai (TN)			
MBA (full-time)	C	3 years	June 15, 2001
Institute of Business Administration & Training, KIIT, Bhubaneswar (Orissa)			
PG Diploma in Management	B	3 years	Aug 6, 2002
International Institute of Special Education, Lucknow (UP)			
PG Diploma in Business Administration (full-time)	C	3 years	April 1, 2001
Kongu Engineering College, Perundurai (TN)			
MBA	B	3 years	April 24, 2002
Loyolla Institute of Business Administration, Chennai (TN)			
PG Diploma in Business Administration	B	5 years	Sept 1, 2000
Management Development Institute, Gurgaon (Haryana)			
PG Programme in Management	A	5 years	Dec 11, 1998
Meppco Schlenk Engineering College, Sivakasi (TN)			
MBA	C	3 years	May 1, 2000
Narsee Monjee Institute of Management Studies, Mumbai (Maharashtra)			
PG Diploma in Business Administration	A	5 years	April 1, 2001
Nirma Institute of Technology, Ahmedabad (Gujarat)			
PG Diploma in Management (full time)	B	3 years	April 24, 2002
Prin. L.N. Welingkar Institute of Management Development & Research, Mumbai (Maharashtra)			
PG Diploma in Business Administration	B	3 years	Aug 6, 2002
PSNA College of Engineering & Technology, Dindigul (TN)			
MBA	C	3 years	April 24, 2002
R.V.S. College of Engineering & Technology, Dindigul (TN)			
MBA	C	3 years	April 24, 2002
S.P. Jain Institute of Management & Research, Mumbai (Maharashtra)			
PG Diploma in Management (PGDM)	B	5 years	Aug 6, 2002
S.R.M Engineering College, Kancheepuram (TN)			
MBA	B	3 years	April 1, 2001
School of Communication & Management Studies, Kochi (Kerala)			
PGDBA	B	3 years	April 24, 2002
Shri Sant Gajanan Maharaj College of Engineering, Sheogaon (Maharashtra)			
MBA	C	3 years	April 24, 2002
St Berchman's Institute of Management, Changanacherry (Kerala)			
MBA	NA	NA	June 15, 2001
T.A. Pai Management Institute, Manipal (Karnataka)			
PG Diploma in Management	A	5 years	Nov 9, 2001
Vellore Engineering College (Deemed University), Vellore (TN)			
MBA	A	5 years	May 12, 1999

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More About Select Indian B-Schools

We asked top B-schools about their placement record, number of full-time faculty, and other important details

(List in alphabetical order)

Faculty of Management Studies



- No. of applicants in 2002: 28,314
- Students admitted: 82
- Average work experience: 11 months
- No. of students without work experience: NA
- No. of students with work experience of five years and more: 3
- Stream from which most students come from: Engineering (about 55%)
- Specialisation most students of the batch of 2000-02 opted for: Marketing (28%)
- Dual specialisation offered: NA
- The percentage, and number, of students placed from the batch of 2000-02 within three months of graduating: 100%, 86
- No. of students placed on campus: 86
- Average salary of the students placed: Rs 7.02 lakh per annum
- No. of dollar or dollar-denominated salaries: 6 (highest \$100,000)
- Top three recruiters last year: NA
- The total number of full-time faculty: 33
- Tie-up with a foreign school for an exchange programme: Yes
- Accreditation/approval: Yes (University of Delhi)



Indian Institute of Management, Ahmedabad (IIM-A)



- No. of applicants in 2002: 75,896
- Students admitted: 169
- Average work experience: 18 months
- No. of students without work experience: 116
- No. of students with work experience of more than five years: 7 (37-60 months)
- Stream from which most students come from: Engineering (117)
- Specialisation most students of the batch of 2000-02 opted for: Ours is a general management programme. Hence, we don't indicate that our students have specialised in particular subject/areas
- Dual specialisation offered: Refer to the answer above
- The percentage, and number, of students placed from the batch of 2000-02 within three months of graduating: 100%, 155
- No. of students placed on campus: 155
- Average salary of the students placed: Rs 6 lakh p.a.
- No. of dollar or dollar-denominated salaries: 36
- Top three recruiters last year: Lehman Brothers, ICICI, Goldman Sachs
- Total number of full-time faculty: 79
- Tie-up with foreign schools for exchange programmes: Though we have signed MoUs with 19 foreign schools, we have exchange programmes with 29 schools abroad
- Accreditation/approval: IIMs and IITs come under the Institute of National Importance, established by Government of India, and not under the National Accreditation Board

Indian Institute of Management, Bangalore (IIM-B)



- No. of applicants in 2002: 73,703
- Students admitted: 215
- Average work experience: 1.8 years
- No. of students without work experience: 39
- No. of students with work experience of four years and more: 10
- Stream from which most students come from: Engineering (169)
- Specialisation most students of the batch of 2000-02 opted for: We do not offer specialisation formally. However, we offer a large number of electives in the second year – a student can choose to focus on specialisations like Marketing, Finance or IT by opting for any of these elective courses
- Dual specialisation offered: No. See above
- The percentage, and number, of students placed from the batch of 2000-02 within three months of graduating: 100%, 141
- No. of students placed on campus: 100%
- Average salary of the students placed: Rs 11.50 lakh p.a.
- No. of dollar or dollar-denominated salaries: 11
- Top three recruiters last year: DigitalSoft, Shaw Wallace and CapitalOne
- Total number of full-time faculty: Full-time permanent faculty is 70; full-time visiting faculty is 8
- Tie-up with foreign schools for exchange programmes: With 30 foreign universities
- Accreditation/approval: No



Indian Institute of Management, Calcutta (IIM-C)



- No. of applicants in 2002: 79,000
- Students admitted: 200
- Average work experience: NA
- No. of students without work experience: 72
- No. of students with work experience of five years and more: 13
- Stream from which most students come from: Engineering (about 82%)
- Specialisation most students of the batch of 2000-02 opted for: Marketing, Finance, and Systems. All these enjoyed equal preference
- Dual specialisation offered: Yes



- The percentage, and number, of students placed from the batch of 2000-02 within three months of graduating: 100%
- No. of students placed on campus: 100%
- Average salary of the students placed: Rs 5.72 lakh p.a.
- No. of dollar or dollar-denominated salaries: 17
- Top three recruiters last year: McKinsey & Co., PwC, ICICI Bank
- Total number of full-time faculty: 78
- Tie-up with foreign schools for exchange programmes: Yes. Some examples include Bordeaux Business School, Paris; European Business School, Germany; Copenhagen Business School, Denmark CERAM
- Accreditation/approval: AICTE

Indian Institute of Management, Indore (IIM-I)



- No. of applicants in 2002: 74,408



- Students admitted: 59
- Average work experience: 1.75 years
- No. of students without work experience: 17
- No. of students with work experience of five years and more: Nil
- Stream from which most students come from: Engineering (about 57.6%)
- Specialisation most students of the batch of 2000-02 opted for: Marketing
- Dual specialisation offered: NA
- Percentage of students placed from the batch of 2000-02 within three months of graduating: 100%
- No. of students placed on campus: 100%
- Average salary of the students placed: Rs 5.22 lakh p.a.
- No. of dollar or dollar-denominated salaries: Nil
- Top three recruiters last year: TCS, Polaris, UTI Bank
- Total number of full-time faculty: 15
- Tie-up with foreign schools for exchange programmes: NA
- Accreditation/approval: AICTE & UGC

Indian Institute of Management, Kozhikode (IIM-K)



- No. of applicants in 2002: 80,000
- Students admitted: 60
- Average work experience: 4 years
- No. of students without work experience: 8
- No. of students with work experience of five years and more: 7
- Stream from which most students come from: Engineering (76%)



- Specialisation most students of the batch of 2000-02 opted for: Marketing
- Dual specialisation offered: Yes
- The percentage, and number, of students placed from the batch of 2000-02 within three months of graduating: 100%
- No. of students placed on campus: 100%
- Average salary of the students placed: Rs 5.5 lakh p.a.
- No. of dollar or dollar-denominated salaries: Nil
- Top three recruiters last year: GE Capital, HSBC, Godrej Industries
- Total number of full-time faculty: 21
- Tie-up with foreign schools for exchange programmes: No
- Accreditation/approval: AICTE

Indian Institute of Management, Lucknow (IIM-L)



- No. of applicants in 2002: 84,313
- Students admitted: 240
- Average work experience: 1-2 years



- No. of students without work experience: 146
- No. of students with work experience of five years and more: Almost negligible
- Stream from which most students come from: Engineering (73%)
- Specialisation most students of the batch of 2000-02 opted for: Marketing
- Dual specialisation offered: NA
- The percentage, and number, of students placed from the batch of 2000-02 within three months of graduating: 100%
- No. of students placed on campus: 100%
- Average annual salary of the students placed: Rs 6.98 lakh p.a.
- No. of dollar or dollar-denominated salaries: 7
- Top three recruiters last year: HLL, ICICI, Citibank
- Total number of full-time faculty: 67
- Tie-up with foreign schools for exchange programmes: Yes
- Accreditation/approval: AICTE

IIT-Delhi, Department of Management Studies



- No. of applicants in 2002: Approx. 18,000
- Students admitted: 56
- Average work experience: 10 months
- No. of students without work experience: NA
- No. of students with work experience of five years and more: 2
- Stream from which most students come from: A majority of them, about 95%, are from Engineering. The rest of them are post-graduates in Science. We don't take graduates like B.Com/B.Sc. Our entry level requirement is graduate Engineers and post-graduates Science, Commerce etc. Only first-division holders with 60% or more can apply
- Specialisation most students of the batch of 2000-02 opted for: Marketing Management
- Dual specialisation offered: NA
- Percentage of students placed from the batch of 2000-02 within three months of graduating: 100%
- No. of students placed on campus: 100%
- Average salary of the students placed: Rs 4.25 lakh p.a.

- No. of dollar or dollar-denominated salaries: Nil
- Top three recruiters last year: NA
- Total number of full-time faculty: NA
- Tie-up with foreign schools for exchange programmes: With the Asian Institute of Management – Bangkok. We are also negotiating with the George Washington University



- Accreditation/approval: IIT does not require any accreditation. It is an autonomous institution formed under an Act of Parliament

Indian Institute of Foreign Trade



- No. of applicants in 2002: 15,900
- Students admitted: 89
- Average work experience: 1 year
- No. of students without work experience: 58
- No. of students with work experience of five years and more: 3
- Stream from which most students come from: Engineering (about 50%)
- Specialisation most students of the batch of 2000-02 opted for: Marketing
- Dual specialisation offered: Yes



(International Business Operations and one of the following: Marketing, Finance, Information Technology and International Trade)

- The percentage, and number, of students placed from the batch of 2000-02 within three months of graduating: 100%, 81
- No. of students placed on campus: 81
- Average salary of the students placed: Rs 6.95 lakh p.a.
- No. of dollar or dollar-denominated salaries: 6
- Top three recruiters last year: Olam International, Singapore; Kaybee Group of Companies, Singapore; Tata Administrative Services
- Total number of full-time faculty: 39
- Tie-up with foreign schools for exchange programmes: CERAM Sophia Antipolis, France
- Accreditation/approval: The institute has been given the status of 'Deemed University' by the University Grants Commission, Ministry of Human Resource Development

Indian School of Business



- No. of applicants in 2002: 1,100
- Students admitted: 170
- Average work experience: 4.5 years
- No. of students without work experience: 1%
- No. of students with work experience of five years or more: 48
- Stream from which most students come from: Engineering (51%)
- Specialisation most students of the batch of 2000-02 opted for: Marketing, Finance
- Dual specialisation offered: Yes. Two examples of the many possible combinations are Finance and Entrepreneurship, or Innovation Management and Supply Chain Management
- The percentage, and number, of students placed from the batch of 2000-02 within three months of graduating: 100%, 128
- No. of students placed on campus: 128
- Average salary of the students placed: Rs 8.5 lakh p.a.
- No. of dollar or dollar-denominated salaries: 28
- Top three recruiters last year: NA
- Total number of full-time faculty: ISB offers a portfolio faculty model – it aims to achieve an ideal mix of permanent and visiting faculty to give students both interna-

tional exposure and a strong research base. Faculty from Wharton, Kellogg, London Business School, Stanford, among others, have taught at the ISB. As of now, ISB has two permanent faculty members. Our vision is to conceptualise a Virtual Faculty that can bring together a learning ambience for the students anywhere, anytime

- **Tie-up with foreign schools for exchange programmes:** ISB is a research-oriented, independent management institution. Its unique partnership with three of the world's leading B-schools – Kellogg School of Management, The Wharton School and London Business School – makes it one of a kind in Asia.

The school's one-year Post-Graduate Programme, equivalent to an MBA, offers a global curriculum, and at the same time, focusses on various issues faced by emerging markets. Our faculty consists of prominent scholars and dedicated teachers with a global perspective coupled with knowledge and experience in all areas of business and management.

What differentiates the ISB from other schools is its global perspective. Its constant endeavour is to nurture a learning culture to help students imbibe relevant and current information. Exchange programmes form an important aspect of this curriculum design.

ISB's exchange programmes are another step towards grooming global leaders. These programmes

give students the opportunity to interact with global corporate and academic leaders and build a network with fellow participants, which would last a lifetime.

As part of the programme, students spend two terms overseas studying and observing global trends at one of our partner institutions – Kellogg, London Business School or the Goizueta Business School. This includes students from partner schools coming here and studying too

- **Accreditation/approval:** ISB has been actively pursuing the accreditation issue. We are already in the process of applying for three international bodies: The Association of Advanced Collegiate Schools of Business (US-based); European Foundation for Management Development (Europe-based); and the Association of MBAs (UK-based). But all these three require at least three years of operations to initiate the accreditation process. ISB is just 18 months old. We will take this up at the right time.
- **No. of international students and average GMAT score:** The ISB currently has two international students. The Average GMAT score is 690

Institute for Integrated Learning in Management



- No. of applicants in 2002: 2,755
- Students admitted: 120
- Average work experience: 2 years
- No. of students without work experience: 68
- Students with work experience of five years and more: Nil
- Stream from which most students come from: Commerce (about 51%)
- Specialisation most students of the batch of 2000-02 opted for: Marketing
- Dual specialisation offered: Yes
- The percentage, and number, of students placed from the



batch of 2000-02 within three months of graduating: NA

- No. of students placed on campus: 55 (95%)
- Average salary of the students placed: Rs 1.5 lakh p.a.
- No. of dollar or dollar-denominated salaries: 2
- Top three recruiters last year: American Express, Canon India, Phillips India
- Total number of full-time faculty: 43
- Tie-up with foreign schools for exchange programmes: University of Bradford, UK; University of Applied Sciences, Lueneberg, Germany; Michigan Tech. University, US; University of Dublin, Ireland
- Accreditation/approval: AICTE

Institute of Management Technology

- No. of applicants in 2002: 11,363



- Students admitted: 120
- Average work experience: NA
- No. of students without work experience: 90
- Students with work experience of five years and more: Nil
- Stream from which most students come from: Commerce (39%)
- Specialisation most students of the batch of 2000-02 opted for: Marketing
- Dual specialisation offered: Yes
- The percentage, and number, of students placed from the batch of 2000-02 within three months of graduating: 100%
- No. of students placed on campus: 100%
- Average salary of the students placed: Rs 5.72 lakh p.a.
- No. of dollar or dollar-denominated salaries: 2

- Top three recruiters last year: Bharti Televentures, Standard Chartered Bank, Polaris
- Total number of full-time faculty: 40
- Tie-up with foreign schools for exchange programmes: Fairleigh Dickinson University (FDU), New Jersey, US, for its 18-month Joint Global MBA programme, which is commencing from August 2003. The highlights of the programme are: The first two components include five-month courses at IMT, Ghaziabad and FDU, US. The third component is a six-month paid industrial training in the US and it will be arranged by FDU. The final component is a two-month course at IMT on return from the US. On successful completion of all the components of the programme, students will be awarded MBA degree of FDU and a Post-graduate Diploma of IMT
- Accreditation/approval: AICTE & AIU

International Management Institute



- No. of applicants in 2002: 6,692
- Students admitted: 129
- Average work experience: NA
- No. of students without work experience: 93
- Students with work experience of five years and more: 2
- Stream from which most students come from: Commerce (43%)
- Specialisation most students of the batch of 2000-02 opted for: Marketing
- Dual specialisation offered: Yes
- The percentage, and number, of students placed from the batch of 2000-02 within three months of graduating: 100%
- No. of students placed on campus: 105
- Average salary of the students placed: Rs 2.75 lakh p.a.
- No. of dollar or dollar-denominated salaries: NA



- Top three recruiters last year: AT Kearney, Ranbaxy, and McKinsey & Co.
- Total number of full-time faculty: NA
- Tie-up with foreign schools for exchange programmes: Rennes International School of Business, France
- Accreditation/approval: AICTE & AIU

Management Development Institute



- No. of applicants in 2002: 16,099
- Students admitted: 129
- Average work experience: NA
- No. of students without work experience: 66%
- No. of students with work experience of five years and more: 1%
- Stream from which most students come from: Engineering (65%)
- Specialisation most students of the batch of 2000-02 opted for: Marketing
- Dual specialisation offered: Yes
- The percentage, and number, of students placed from the batch of 2000-02 within three months of graduating: 100%
- No. of students placed on campus: 100%
- Average salary of the students placed: Rs 5.88 lakh p.a.
- No. of dollar or dollar-denominated salaries: 1
- Top three recruiters last year: HLL, HSBC, Phillips
- Total number of full-time faculty: 51
- Tie-up with foreign schools for exchange programmes: Yes
- Accreditation/approval: 'A' grade accreditation from AICTE. The programme is recognised as equivalent to MBA degree by AIU

National Institute of Industrial Engineering



- No. of applicants in 2002: 12,569
- Students admitted: 88
- Average work experience: 14 months
- No. of students without work experience: 41
- No. of students with work experience of five years and more: 4
- Stream from which most students come from: Only Engineers with first-class degree are eligible for admission to PGDIM course at NITIE
- Specialisation most students of the batch of 2000-02 opted for: Systems
- Dual specialisation offered: Yes
- The percentage, and number, of students placed from the batch of 2000-02 within three months of graduating: 100%, 71
- No. of students placed on campus: 71
- Average salary of the students placed: Rs 6.22 lakh p.a.
- No. of dollar or dollar-denominated salaries: 4
- Top three recruiters last year: Trinit Corporation, Procter & Gamble, KPMG
- Total no. of full-time faculty: 45
- Tie-up with foreign schools for exchange programmes: University of Windsor, Canada
- Accreditation/approval: PGDIM is recognised by AICTE

Prin. L.N. Welingkar Institute



- No. of applicants in 2002: 47,000
- Students admitted: 120 (PGDBA)

- Average work experience, in years: 2
- No. of students without work experience: NA
- No. of students with work experience of five years and more: 6
- Stream from which most students come from: Commerce (48%)
- Specialisation most students of the batch of 2000-02 opted for: Marketing
- Dual specialisation offered: NA



- The percentage, and number, of students placed from the batch of 2000-02 within three months of graduating: 100%, 111 (Batch size: 120. Nine students opted out of the placement process for reasons such as further studies, own business, etc.)
- No. of students placed on campus: 111
- Average salary of the students placed: Rs 2.75 lakh p.a.
- No. of dollar or dollar-denominated salaries: 1
- Top three recruiters last year: Essar Group, Mahindra & Mahindra, E-Serve International
- Total number of full-time faculty: 26
- Tie-up with foreign schools for exchange programmes: Temple University Philadelphia, US; Hamamatsu University, Japan
- Accreditation/approval: The institute conducts programmes accredited/approved by University of Mumbai, Maharashtra; the All India Council for Technical Education; NBA (National Bureau of Accreditation); ISO 9001:2000 certified by BVQi

S.P. Jain Institute of Management & Research



- No. of applicants in 2002: 13,500
- Students admitted: 136



- Average work experience: 1.77 years
- No. of students without work experience: 34
- No. of students with work experience of five years and more: 14
- Stream from which most students come from: Engineering (73%)
- Specialisation most students of the batch of 2000-02 opted for: Information Management
- Dual specialisation offered: NA
- The percentage, and number, of students placed from the batch of 2000-02 within three months of graduating: 100%, 130
- No. of students placed on campus: 130
- Average salary of the students placed: Rs 8.03 lakh p.a. (including dollar salaries)
- No. of dollar or dollar-denominated salaries: 7
- Top three recruiters last year: Proctor & Gamble, HCL Tech, ICICI Bank
- Total number of full-time faculty: 31
- Tie-up with foreign schools for exchange programmes: No
- Accreditation/approval: AICTE

T.A. Pai Management Institute



- No. of applicants in 2002: 8,642
- Students admitted: 120
- Average work experience: 1 year
- No. of students without work experience: 67



Business education was introduced in the USA after the Second World War in 1944. The Sloan Foundation made a gift of more than \$5m to establish a School of Industrial Management at the Massachusetts Institute of Technology. The aim of the new school was to introduce groundbreaking ideas about management education; it was born at a time when business education was undergoing a revolution.

Some futuristic thinking helped the setting up of the first MBA schools in India, viz; IIM Ahmedabad and Calcutta, which were started in the year 1961 and 1962 respectively. The former was set up in collaboration with the Harvard Business School and the latter with Massachusetts Institute of technology (MIT).

candidates appearing for their degree exams in the current academic year, are eligible to appear for the entrance tests.

Selection Process

The call letter for Group Discussion and Personal Interview is sent to students who qualify at the CAT provided they have applied to that institute. At the GD and PI stage the institutes check the student's inter-personal skills, ability to communicate and his reasons for doing an MBA. It is held between February and March for most of the institutes. After having cleared the above two stages you will receive that all-important Admission Final Call letter.

editorials and the business pages because of the diversity of topics available in these pages.

While reading it is important to identify words which are difficult to comprehend, refer to the dictionary and read the entire sentence with the meanings substituted.

While ordinarily 16 to 18 weeks of systematic effort is enough to prepare for CAT, one would do well to start preparation early in the vacation, especially, if studies, or work schedules are likely to be heavy near the test. For the first six months one could concentrate on mastering the basics of English and Math. The skills to crack CAT are developed if one works 2-3 hours a day.

Evolution of MBA

And today IIM Ahmedabad is ranked among the top 10 B schools of the world, which has produced a host of professional managers for industry in India as well as abroad.

Selection of a B-School

A B-school should be selected based on parameters such as reputation, placements, alumni, faculty and infrastructure of the institute.

Common Admission Test

The CAT is designed to measure one's abilities and skills required to undergo training in IIMs or the other reputed b-schools successfully.

CAT tests on two subjects English and Math. These subjects are further subdivided into areas, viz Quantitative Ability, Data Interpretation, Data Sufficiency, Logical Reasoning, Reading Comprehension, Verbal Reasoning and Verbal Ability. The areas are clearly demarcated into sections. The number of sections and their composition varies from year to year. Therefore the pattern of the CAT is not certain.

Eligibility to take the test

One should take CAT depending on the eligibility requirements of the institute one is applying to. A second-class Bachelor's Degree or equivalent with minimum 50% marks (45% for SC/ST candidates) in any faculty is the usual requirement for any management institute. However, some B-Schools like the IIMs, ask for just a Bachelor's degree in any discipline. Percentage is no consideration. In all cases

Institutes accepting CAT score include

MICA (Mudra Institute of Communication), Ahmedabad, S.P. Jain, Mumbai, Nirma, Ahmedabad, T.A. Pai, Manipal, IMT, Ghaziabad, MDI, Gurgaon, FORE school, Delhi

Indian Institute of Forest Management, Bhopal, Goa Institute of Management, Institute of Technology and Management (multiple locations all over India), Institute of Management Development & Research, Pune, Indian Institute of Social Welfare and Business Management, Calcutta

How to prepare for the test

One needs to relearn the fundamentals to improve accuracy and practice to improve speed.

● Preparation strategy for Mathematics

One could start off with the class 10 books on the subjects and revise basics and relearn fundamentals.

Also while traveling in a bus or car, and you see a number plate, try and perform as many calculations with the numbers on the number plate- Addition, subtraction, multiplication, division.

● Preparation strategy for English

This section tests vocabulary, verbal reasoning and reading comprehension. One could start improving vocabulary by reading newspapers like Times of India, The Hindu and American Magazines like Time etc. In the dailies the areas that need concentration are the

One could then self evaluate by taking tests at regular intervals, which are patterned in an increasing order of difficulty. Around October and November take two tests per week and reflect on the performance to improve on it.

Those preparing for the IIMs should also prepare for other institute tests like the XLRI, IIFT, FMS (Delhi), JBIMS. Preparing for the CAT is highly challenging. The point is that one should plan in such a manner that from the last week of November (IIM test) to May the following year, one should take the test of all prominent management institutes, to keep one's options open.

Group Discussion & Personal Interview

Through group discussion inter-personal skills, ability to communicate, logical thought process and general awareness are evaluated. The areas covered at Interviews include academics, extracurricular activities, and purpose of doing an MBA, apart from general awareness.

Conclusion

An MBA from a good school will certainly open many doors, but one from the wrong school may have the opposite effect. So one needs to consciously cultivate the drive and the push to make it to the right B school.

A successful career is dependent on the optimum utilization and application of the managerial skills, expertise and tools acquired through pursuing the MBA program from reputed B schools.

This information is brought to you by IMS, MUMBAI

- No. of students with work experience of five years and more: Nil
- Stream from which most students come from: Engineering (71%)
- Specialisation most students of the batch of 2000-02 opted for: Marketing
- Dual specialisation offered: Yes
- The percentage, and number, of students placed from the batch of 2000-02 within three months of graduating: 100%
- No. of students placed on campus: 100%
- Average salary of the students placed: Rs 2.41 lakh p.a.
- No. of dollar or dollar-denominated salaries: Nil
- Top three recruiters last year: Polaris Software Lab, Murugappa Group, HDFC Bank
- Total number of full-time faculty: 26
- Tie-up with foreign schools for exchange programmes: Saginaw Valley State University, Michigan, US
- Accreditation/approval: AICTE & AIU. Accredited by the National Assessment and Accreditation Council (NAAC) with Five Stars and National Board of Accreditation (NBA) with 'A' Grade

Xavier Institute of Management, Bhubaneswar



- No. of applicants in 2002: 9,000
- Students admitted: 120
- Average work experience: 2 years
- No. of students without work experience: NA
- No. of students with work experience of five years and more: 8%
- Stream from which most students come from: Engineering (53%)
- Specialisation most students of the batch of 2000-02 opted for: The transcript given to the students doesn't mention specialisation
 - Dual specialisation offered: NA
 - The percentage, and number, of students placed from the batch of 2000-02 within three months of graduating:



100%, 120

- No. of students placed on campus: 120
- Average salary of the students placed: Rs 4.6 lakh p.a.
- No. of dollar or dollar-denominated salaries: Nil
- Top three recruiters last year: NA
- Total number of full-time faculty: 32
- Tie-up with foreign schools for exchange programmes: UFSIA, Belgium
- Accreditation/approval: AICTE & AIU

Xavier Labour Relations Institute



- No. of applicants in 2002: 22,665
- Students admitted: 151
- Average work experience: 5 years
- No. of students without work experience: 82
- No. of students with work experience of five years and more: 12
- Stream from which most students come from: Engineering (61.5%)
- Specialisation most students of the batch of 2000-02 opted for: Personnel Management and Industrial Relations
- Dual specialisation offered: Yes
- The percentage, and number, of students placed from the batch of 2000-02 within three months of graduating: 100%, 126
- No. of students placed on campus: 126
- Average salary of the students placed: Rs 6.10 lakh p.a.
- No. of dollar or dollar-denominated salaries: 1
- Top three recruiters last year: HSBC, Anderson, HLL
- Total number of full-time faculty: 40
- Tie-up with foreign schools for exchange programmes: Yes
- Accreditation/approval: Approved by AICTE in 1994. The approved post-graduate programmes are Business Management, Personnel Management & Industrial Relations and Fellow Programme in Management ■



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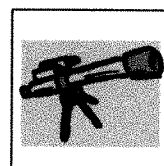
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Admission Test	Contact Details	Telephone	Fax	E-mail	Website
Alagappa Institute of Management (Director/Dean) S. Kaliyamoorthy					
CET	Alagappa University, Karaikudi 630004, TN	NA	NA	aimalu@vsnl.net.in	NA
Aligarh Muslim University, Department of Business Administration (Director/Dean) M. Ozair					
AMU CET	Faculty of Mgt Studies, Aligarh 202002	0571 2702044	0571 2708658	deanfmrs@rediffmail.com	amu.ac.in
Allana Institute of Management Science (Director/Dean) Anil Keskar					
CET	K.B.H. Road, Azam Campus, Pune 411001	020 26440491	020 26449824	mcesains@vsnl.com	mcesociety.org
Alliance Business Academy (Director/Dean) Sudhir G. Angur					
CAT/MAT/CET/ATMA	20th Cross, BTM II Stage, Bangalore 560076	080 6680324	080 6680051	alliance@bgl.vsnl.net.in	alliancebschool.org
Ambedkar Institute of Management Studies (Director/Dean) C. Suryanarayana					
MAT/CET/ATMA	Sec12, Ushodya Jn., Vizag 530017	0891 2783946	0891 2783225	aimsvizag@hotmail.com	aimsindia.info
Amity Business School (Director/Dean) J.L. Batra					
MAT	Sector 44, NOIDA 201303	0120 2431461	0120 2431421	abs@abs.amity.edu	amity.edu/abs
Amrita Institute of Management (Director/Dean) Sanjay Banerjee					
CAT	Ettimadai, Coimbatore		0422 2656274	aim@amrita.edu	amrita.edu.aim
AQJ Centre for P.G. Studies (Director/Dean) V.A. Siddiqui					
CET	29, Sec V, M.V.P. Colony, Vizag 530016	0891 2523419	0891 2523419	NA	NA

Admission Test	Contact Details	Telephone	Fax	E-mail	Website
Asan Memorial Institute of Management (AMIMA)	(Director/Dean) P.V. Mathew				
Own/MAT/CAT/ATMA	Velachery, Jaladampet, Chennai 601302	044 2461418	044 2461335	asanedu@vsnl.com	asaneducation.com
Asian Workers Development Institute	(Director/Dean) Anil K. Sinha				
MAT/XAT	Bastia Smruti Sadan, Sector 6, Rourkela 769002	NA	NA	awdimbt@rediffmail.com	NA
Asia-Pacific Institute of Management	NA				
MAT/Own Test	Sarita Vihar, New Delhi 110044	011 26947838	011 26951541	aimdelhi@del2.vsnl.net.in	asiapacific.edu
Aurora's Post Graduate College	(Director/Dean) Ravi Paturi				
CET	Chikkadpally, Hyderabad 500020	040 26582538	040 26582538	pg@aurora.ac.in	aurora.ac.in
Avanthi P.G. College	(Director/Dean) Srinivas Rao				
ICAT	3-4-885/2, Barakatpura, Hyderabad 500027	040 27564550	040 27566186	NA	NA
Avinashilingam Institute for Home Science	(Director/Dean) Sanatha B. Kurup				
Own Test	Coimbatore 641043	0422 2440241	0422 2443620	NA	avinashilingam.edu
Badruka College Post Graduate Centre	(Director/Dean) C. Mallikharajuna Rao				
CET	P.G. Centre, Kochiguda, Hyderabad 500027	040 24658236	040 24658236	bcpgc1_college@sify.com	badrukapgc.edu
BDS Institute of Management	(Director/Dean) Athar Jafri				
MAT/UPMCAT	Sec-8, Jagriti Vihar, Meerut	0121 2768840	0121 2768840	bdsim-2k@yahoo.com	bdsim.com
Bharathidasan Institute of Management (BIM)	(Director/Dean) N. Jayasankaran				
Own Test	P.O.12, BHEL Complex, Tiruchirapalli 620014	0431 2520482	0431 2520733	bat@bim.edu	bim.edu
Bharti Vidyapeeth Deemed University	(Director/Dean) S.V. Kadvekar				
CET/BMAT(BVDU)	Paud Road, Eradwane, Pune 411038	020 25431060	020 25431060	bvimed@rediffmail.com	NA
Bharti Vidyapeeth Inst of Mgt & Rural Development Admn	(Director/Dean) D.S. Kadam				
SIMS Entrance	Range Hills Road, Kirkee, Pune 411020	020 25810823	020 25816007	dirms@vsnl.net	NA
Bharti Vidyapeeth Institute of Management	(Director/Dean) Omprakash Gupta				
CET	Kadamwadi, Kolhapur 416003	02316 252426	02316 252426	bvimk@rediffmail.com	NA
Bharti Vidyapeeth's Institute of Management & Research	(Director/Dean) S.S. Venenkar				
CET	A-4 Paschim Vihar, New Delhi 110063	011 2528396	011 25286442	bvimr@del3.vsnl.net.in	bvimr.com
Bharti Vidyapeeth's Institute of Management & Research	(Director/Dean) D.Y. Patil				
CAT/MAT/CET/AIMET	Sector 8, CBD Belapur, Navi Mumbai	022 27572433	022 27571182	NA	NA
Birla Institute of Management Technology	(Director/Dean) M. Chaturvedi				
Own Test	Sector-IV, Pushp Vihar, New Delhi 110017	011 26969254	011 26969250	bimtech@del2.vsnl.net.in	bimtechindia.org
BJS Rampuria Jain College	(Director/Dean) R.K. Ranga				
Own Test	J.N. Vyas Nagar, Bikaner 334003	0151 2232702	0151 2232702	oms_placements@indiatimes.com	rampuria.freesevers.com

IIM-Indore, established in 1997, is the youngest Indian Institute of Management. IIM-Calcutta, established way back in 1961, was the first

There are six IIT B-schools – at Delhi, Mumbai, Chennai, Roorkee, Kanpur and Kharagpur. The Vinod Gupta School of Management at IIT-Kharagpur was the first

Admission Test	Contact Details	Telephone	Fax	E-mail	Website
BLS Institute of Management CET	(Director/Dean) Sudhir Sharan B-8, Industrial Area, Mohan Nagar, Ghaziabad	0120 2737414	0120 2737414	bls_im@vsnl.com	blsim.com
BPHE Society Institute of Management Studies CET	(Director/Dean) V.S. Dikonda IMSCDR, Ahmednagar, Maharashtra	0241 2346532	NA	imscdr_anr@sancharnet.in	imscdr.com
Centre for Management Development UPMMAT	(Director/Dean) N.K. Jain Modinagar 201204	01232 242692	01232 242458	cmddkm@del2.vsnl.net.in	cmd.edu
Chaitanya Bharti Institute of Technology CET	(Director/Dean) P.N. Reddy Chaitanya Bharati PO, Ganipet, Hyderabad 500075		040 27633300	NA	NA
Cherraan's Institute of Management Studies Own Test	(Director/Dean) N.M. Mohamed Dhaha Cherraan Nagar, Kangayam 638707, TN	04257 243316	NA	NA	NA
Chetna's Institute of Management Studies CET	(Director/Dean) M.V. Deshpande Survey No. 341, Bandra (East), Mumbai 400051	022 26422827	022 26406172	NA	NA
Christ College Institute of Management Own Test	(Director/Dean) Sebastian Thekkedathu Christ College, Hosur Road, Bangalore 560029	080 5536280	080 5535863	prince@christcollege.edu	christcollege.edu
CMR Institute of Management Studies Own Test	(Director/Dean) K.C. Sabitha Ramamurthy 2079, II Main, III Block, Kalyan Nagar, Bangalore	080 5440854	080 5440956	tristha@vsnl.com	cmrims.com/cmrit.com
CMS College of Science & Commerce Own Test	(Director/Dean) S. Sandhya Menon Chinnavedampatti, Ganapesh, Coimbatore 641006	042 2668693	NA	sandhya123@yahoo.co.in	NA
Coimbatore Institute of Management & Technology MAT/Own Test	(Director/Dean) Sivam Vardarajan Vellimalaipatanam, Narasipuram, Coimbatore 641129	0422 2651131	0422 2651427	cimat@kovaikalaimangal.org	kovaikalaimangal.org
D.E. Society's Institute of Management & Research CET	(Director/Dean) B.S. Kholkumbe PO Willingdon College, Sangli 416415	0233 2301040	0233 2301669	san-imrs@sancharnet.in	imrsangli.net
David Memorial Institute of Management CET	(Director/Dean) R. James David Jehovah Jireh, 12-13-1275, Tarnaka, Secunderabad 500017	040 27019503	27019903	students@hdl.vsnl.net.in	dmes-david.org
Deccan School of Management CET	(Director/Dean) Mohd. Masood Ahmed Hyderabad 500001	040 24806881	040 24808498	info@deccancollege.com	deccancollege.com
Deepshikha College of Technical Education CAT/MAT/CET/RMAT	(Director/Dean) M.C. Gupta Sector 3, Mansarovar, Jaipur 302020	0141 2390146	0141 2280674	dcte@rediffmail.com	deepshikha.info
Department of Business Administration CET	(Director/Dean) A. Kumar Bhavnagar University, Bhavnagar 364002	0278 2420301	0278 2524440	drkumar@bhavunimanagement.org	bhavunimanagement.org
Department of Business Administration, University of Lucknow CAT/UPMCAT	(Director/Dean) Matin Khan Lucknow	0522 2333465	0522 2333465	synergylumba@yahoo.com	NA

Admission Test	Contact Details	Telephone	Fax	E-mail	Website
Department of Business Management (Director/Dean) R. Chakrabarty					
Own Test	1, Reformatory Street, Kolkata 700027	033 24499418	NA	cumbm@cal3.vsnl.net.in	NA
Department of Business, South Gujarat University(Director/Dean) Satendra Kumar					
CET	Udhana Magdalla Road, Surat 395007	0261 23227141	0261 23227312	sgsurat@guj.nic.in	sgu.ernet.in
Department of Commerce & Management Studies (Director/Dean) E.P. Saimul Abideen					
Own Test	University of Calicut, Kozhikode 673635	NA	0494 2400297	dcms@unical.ac.in	NA
Department of Financial Studies (Director/Dean) Muneesh Kumar					
Own Test	DU, Benito Juarez Road, New Delhi 110021	011 26111955(Extn. 286)	26886427	mfc@del3.vsnl.net.in	mfc.edu
Dept of Management Studies, Adhiyamaan College of Engineering (Director/Dean) P. Janikiramadu					
MAT	Hosur 635109, TN	0433 260575	0433 260573	pjr123@rediffmail.com	adhiyamaan.com
Department of Management Sciences (Director/Dean) C.M. Chitale					
CET	Pune University, Maharashtra 411007	NA	NA	NA	mdms.unipune.ernet.in
Department of Management Studies (Director/Dean) G. Kannabiran					
Own Test	Tiruchirapalli 620015, TN	0431 2500231	0431 2500133	mba@rect.ernet.in	NA
Department of Management Studies, IIT Delhi (Director/Dean) R.S. Sridhi					
JMET	Hauz Khas, New Delhi 110016	011 26591171	011 26862606	webmaster@iitdmba.org	iitmba.org
Department of Management Studies, IIT Roorkee (Director/Dean) Prem Vrat					
JMET	IIT Roorkee, Roorkee 247667	NA	01332 285565	vickypdm@iitr.ernet.in	iitmba.net
Dept of Management Studies, Indian School of Mines (Director/Dean) B.B. Bhattacharya					
CAT	Dhanbad, Jharkhand 826004	0326 2206858	0326 2203042	rgism@dte.vsnl.net.in	ism.ac.in
Department of Management Studies, Jaya Engineering College (Director/Dean) K. Prabhakar					
MAT/ATMA/Jaya Ent. Test	Prakash Nagar, Thiruninravur 602024	044 26390041	044 26300982	NA	jayaengineeringcollege.com
Department of Management Studies, University of Kashmir (Director/Dean) A.M. Shah					
MAT	The University of Kashmir, Srinagar 190006	0194 2420029	NA	profamshah@yahoo.co.in	NA
Doddappa Appa Institute of MBA (Director/Dean) B.B. Patil					
MAT/GMAT	Gulbarga, Karnataka 585103	08472 423367	08472 423367	appamba@rediffmail.com	NA
Dr MGR College of Management Studies & Computer Applications (Director/Dean) Srinivavsagopalan					
Own Test	No. 4 Periyar Engg. High Road, Chennai 602102	044 24871663	044 23783165	drmgrec@md3.vsnl.in	drmgrec.ac.in
Dr N.S. Kolla School of Business (Director/Dean) K.V. Sivayya					
MAT/ATMA	14-37-23 Gokhale Road, Visakhapatnam 530002	0891 2531881	0891 2567626	dr_sivayya@eth.net	drnsk.com
EMPI Business School (Director/Dean) V.A. Eshwar					
CAT/MAT/EMAT/GMAT	Satbari, Chattarpur, New Delhi 110074	011 26652373	011 26654422	empi@del2.vsnl.net.in	empiindia.com

ISB is the only B-school in this list that officially requires all applicants to have at least two years of work experience and submit GMAT scores

“One of our professors said that if more than five students were absent, he would take a quiz. Each class, we would count heads to escape the quizzes!”

–Surya Kant Rai, XLRI, Class of 2003

Admission Test	Contact Details	Telephone	Fax	E-mail	Website
Faculty of Management Studies (FMS) (Director/Dean) S.D. Gupta					
Own Test	FMS, University of Delhi, Delhi 110007	011 27667017	011 27667535	info@fmsdu.ernet.in	fms.edu
Fore School of Management (Director/Dean) Vinay Dutta					
CAT	B-18, Qutab Institutional Area, New Delhi	011 26856301	011 26520509	cab@fsm.ac.in	fsm.ac.in
G.R.G. School of Management Studies (Director/Dean) B. Sudhakar					
Own Test	IDR Women, Peelamedu, Coimbatore 641004	0422 2572222	0422 2591255	psgrkc@helinfinet.com	NA
Gandhi Institute of Technology & Management (Director/Dean) M. Gangadhara Rao					
ICET	Gandhi Nagar, Rushikonda, Vishakhapatnam 530045	0891 2790101	0891 2790399	gitam@gitam.org	gitam.org
Garden City College of Science & Management Studies (Director/Dean) Joseph V.G.					
Direct Admission	Old Madras Road, Virgonagar, Bangalore 560049	080 5288831	080 5291414	gcetruct@blr.vsnl.net.in	gardencitycollege.org
Gian Jyoti Institute of Management & Technology (Director/Dean) B.B. Tandon					
MET by Punjab Tech. Univ.	Phase 2, Mohali 160055	0172 264566	0172 2670438	gjimt@satyam.net.in	gjimt.com
Global Business School (Director/Dean) Subrata Goswami					
CAT/GMAT	48 Okhla Industrial Estate, Phase III, N. Delhi 110020	011 26322622	011 26322623	admissions@enpcmba-india.net	enpcmba-india.net
Goa Institute of Management (Director/Dean) Romuald D'souza S.J					
XAT (XLRI)	Ribandar, Goa 403006	0832 2444638	0832 2444136	admissions@gim.ac.in	gim.ac.in
Graduate School of Business Administration (Director/Dean) P.L. Maggu, L.B. Sangal					
MAT	HS-02, Block-F, Sector Alpha2, Greater Noida 201306	0120 2320521	0120 2320522	netgsha@nda.vsnl.net.in	gsbaindia.com
Gurunanak Institute of Management (Director/Dean) Nirmal Singh					
MAT/Own Test	Road No. 75, Punjabi Bagh, New Delhi 110026	011 25159154	011 25159154	gnim2k@yahoo.com	NA
ICFAI Business School (Director/Dean) V. Panduranga Rao					
IBSAT	62 Nagarjuna Hills, Hyderabad 500082	040 26635745	040 23356321	ibshq@ibsindia.org	ibsindia.org
Icfaian School of Management (Director/Dean) Vedpuriswar A.V.					
IBSAT	11, Dwarakapuri Colony, Panjagutta, Hyderabad 500082	040 23357961	040 23352277	ibsat2001@icfai.org	ismindia.org
IIMT Management College (Director/Dean) Sri Prakash					
MAT/UPMCAT	'O' Pocket, Gangaganagar, Meerut 250001	0121 2621006	0121 2649606	iimtmeerut@yahoo.com	iimtindia.com
India International Institute of Management (Director/Dean) Ashok Gupta					
RMAT	Sector 12, Mahaveer, Raipur 303020	0141 2781154	0141 2781158	iiim@icfai.org	icfai.org
Indian Institute of Social Welfare & Business Management (Director/Dean) Ashoke K. Dutta					
CAT	Management House, College Sq. West, Kolkata 700073	033 22412058	033 22413975	iiswbm@iiswbm.edu	iiswbm.edu
Indian Institute of Advanced Management (Director/Dean) M. Chandrasekhar					
MAT/Own Test	Muvvalanivalem, Vishakhapatnam 530017	0891 2538796	0891 2538797	info@iiamindia.org	iiamindia.org

Admission Test	Contact Details	Telephone	Fax	E-mail	Website
Indian Institute of Finance (Director/Dean) J.D. Agarwal					
MAT/IIFMAT	4, Community Centre II, Ashok Vihar II, Delhi 110052	011 27136257	011 27454124	iif@vsnl.com	iif.edu
Indian Institute of Foreign Trade (IIFT) (Director/Dean) Prabir Sengupta					
Own Test	B-21, Outab Institutional Area, New Delhi	011 26965124	011 26853956	iift@iift.ac.in	iift.edu
Indian Institute of Forest Management (Director/Dean) N.K. Joshi					
CAT	P.O. Box No. 357, Nehru Nagar, Bhopal 462003	0755 2775716	0755 2772878	director@iifm.org	iifm.org
Indian Institute of Health Management & Research (Director/Dean) S.D. Gupta					
MAT/ATMA	1 P.D. Marg, Opp. Sangner Airport, Jaipur 302011	0141 2791431	0141 2792138	iihmr@iihmr.org	iihmr.org
Indian Institute of Management (IIM-A) (Director/Dean) Bakul H. Dholakia					
CAT	Vastrapur, Ahmedabad 380015	079 26307241	079 26306896	chr-adms@iimahd.ernet.in	iimahd.ernet.in
Indian Institute of Management (IIM-B) (Director/Dean) Prakash G. Apte					
CAT	Bannerghatta Road, Bangalore 560076	080 6993188	080 6584050	pgpadm@iimb.ernet.in	iimb.ernet.in
Indian Institute of Management (IIM-C) (Director/Dean) Shekhar Chaudhuri					
CAT	Diamond Harbour Road Joka, Kolkata 700104	033 24679178	033 24679178	mritunjoy@iimcal.ac.in	iimcal.ac.in
Indian Institute of Management (IIM-I) (Director/Dean) Rajan Saxena					
CAT	Rajendra Nagar, Indore 452012	0731 2321112	0731 2321050	NA	iimidr.ac.in
Indian Institute of Management (IIM-K) (Director/Dean) A.H. Kalro					
CAT	Kunnamangalam PO, Kozhikode 673571	0495 2803001	0495 2803010	rameshan@iimk.ernet.in	iimk.ac.in
Indian Institute of Management (IIM-L) (Director/Dean) Pritam Singh					
CAT	Prabandh Nagar, Lucknow 226013	0522 2361889	0522 2361840	chairadmission@iiml.ac.in	iiml.ac.in
Indian Institute of Modern Management (Director/Dean) S. Krishnamurthy					
ATMA	Agrasen Campus Sr. No. 239/2, Pune 411006	020 6697698	020 6695761	professor_bala@yahoo.com	iimmpune.com
Indian Institute of Rural Management (Director/Dean) J.M. Avasthi					
MAT/XAT	Tagore Marg, Mansarovar, Jaipur 302020	0141 2397512	0141 2397512	managers@satyam.net.in	iirm.org
Indian Institute of Science & Management (Director/Dean) R.A.K. Verma					
CAT	Pundag, Ranchi, Jharkhand	0651 2242060	0651 2240630	rch_iism@sancharnet.in	NA
Indian Institute of Technology, Vinod Gupta School of Management (Director/Dean) S.K. Dube					
JMET	IIT, Kharagpur	03222 282295	03222 255303	admission@vgsom.iitkgp.ernet.in	iitkgp.ernet.in
Indian School of Business (Director/Dean) Vijay Mahajan					
Own Test	ISB Campus, Gachibowli, Hyderabad, 500019	040 23007000	040 23007040	admissions@isb.edu	isb.edu
Indira Group of Institutes (Director/Dean) P. Jawadekar & Chetan Wakalkar					
CET/ATMA/AIMET	85/5A-B Tathawade, Wakad, Pune 411033	020 2933280	020 2932633	cwakalkar@indira.edu.com	indira.edu.com

According to coolavenues.com, the three most visible B-school recruiters in 2002 were ICICI, i2 Technologies and Lehman Brothers

Management guru C.K. Prahalad was in the first batch of PGDM students at IIM-A. The batch had three girls in all – but only two completed the programme

Admission Test	Contact Details	Telephone	Fax	E-mail	Website
Institute for Integrated Learning in Management (Director/Dean) Irfan A. Rizvi					
CAT	3, Lodhi Institutional Area, New Delhi 110003	011 24647820/1	011 24647796	iilm@iilm.edu	iilm.edu
Institute for Technology and Management (Director/Dean) Arvind P. Navazgund					
CAT	TIM Hunter Road, Honani Conda, Warangal 506001	022 27562793	022 27580950	arvind_n5@yahoo.com	itm.edu
Institute for Technology and Management (Director/Dean) A.H. Babu					
CAT	Bannerghatta Road, Bangalore 560076	080 6580776	080 6585736	bangalore@itm.edu	itm.edu
Institute of Business Administration & Training (Director/Dean) Vishwajeet Patnaik					
CAT/XAT	P.O. KIIT, Bhubaneswar 751024	0674 2441217	0674 2441465	ibat@ibat.ac.in	ibat.ac.in
Institute of Business Management and Research (Director/Dean) V.D. Nagar					
CET/SCET	IPS Academy, Rajendra Nagar, AB Road, Indore NA	NA	NA	hodibmr@ipsacademyonline.com	ipsacademyonline.com
Institute of Co-operative Management (Director/Dean) P.C. Samantaray					
MAT/UUMAT	Unit 8, Bhubaneswar, Orissa 751012	0674 2562826	0674 2560874	icmmba@rediffmail.com	NA
Institute of Development Studies (Director/Dean) A.K. Sengupta					
CAT/UPMCAT	Lucknow University, Lucknow 226007	0522 2387694	0522 2387694	akids@satyam.net.in	NA
Institute of Finance and International Management (Director/Dean) R.K. Vijay Sarathy					
MAT/Own Test	2461, Bana Shakari II Stage, Bangalore 560070	080 6713182	080 6710896	ifimbw@blr.vsnl.net.in	ifimblr.com
Institute of Management and Information Sciences (Director/Dean) Hemanta Kumar Patnaik					
MAT/XAT	Vivekananda Marg, Bhubaneswar 751002	0674 2433762	0674 2433932	imisnnsr@sancharnet.com	imisorissa.org
Institute of Management Development & Research (Director/Dean) A.P. Bhupatkar					
CAT	D.E. Society Campus, Agarkar Marg, Pune 411 004	020 25653186	020 25654371	director@imdr.edu	imdr.edu
Institute of Management Education (Director/Dean) H.P. Gupta					
CAT/MAT	GT Road, Shahibabad, Ghaziabad 201005	0120 2621424	0120 2625870	ime@ndf.vsnl.net.in	ime.sahibabad.com
Institute of Management in Kerala (Director/Dean) M.K. Ramachandran Nair					
Kerala University Entrance Exam	Palayam, Trivandrum 695034	0471 2301145	0471 2301045	imk@asianetindia.com	imktrivandrum.org
Institute of Management Research & Technology (Director/Dean) S.N. Pawar					
CET	MVP Campus, Gangapur Road, Nashik 422002	0253 2571650	0253 2571650	mvpmirt_nsk@sancharnet.in	imrt.ac.in
Institute of Management Studies, Dehradun (Director/Dean) C.S. Nagpal					
Own Test	21, New Cantt Road, Dehradun 248001	0135 2743310	0135 2740416	ims@imsddun.com	imsddun.com
Institute of Management Studies, Ghaziabad (Director/Dean) V.K. Goswami					
CET/Own Test	C-238 Bulandshahar Rd, Lal Kuan, Ghaziabad 207009	0120 2700760	0120 2702034	ims@del2.vsnl.in	ims-ghaziabad.ac.in
Institute of Management Technology (Director/Dean) Ashok Ghosh					
Own Test	PB 137, Rajnagar, Ghaziabad 201001	0120 2750404	0120 2724664	director@imt.edu	imt.edu

Admission Test	Contact Details	Telephone	Fax	E-mail	Website
Institute of Productivity and Management (Director/Dean) Shefali Gautam					
MAT	8th Milestone, Delhi-Meerut Road, Ghaziabad	0120 2675453	0120 2675021	info@ipmgzb.com	ipmgzb.com
Institute of Rural Management, Anand (IRMA) (Director/Dean) K. Prathap Reddy					
Own Test	IRMA, PO Box No. 60, Anand 388001	02692 260181/86	02692 260188	postmaster@irm.ernet.in	irma.ac.in
Institute of Technology & Management (Director/Dean) V.S.K. Moorthy					
CAT	25/26, Sector 4, Kharghar, Navi Mumbai 410210	022 27562806	022 27580950	moorthy@itm.edu	itm.edu
Institute of Technology & Science (Director/Dean) Ratan Sharma					
Own Test	Mohan Nagar, Ghaziabad 201007	0120 2749460/61	0120 2749462	itsbp@vsnl.com	itsgzb.com
International Institute for Special Education (Director/Dean) R.P. Dubey					
CAT/Own Test	1, Shanti Niketan, N. Hyderabad, Lucknow 226007	0522 2750620	0522 2751020	iise@iiseindia.com	iiseindia.com
International Institute of Management (Director/Dean) Sanjay Modi					
MET	Lovely Valley, Hardaspur, Phagwara 144302	01824 240833	01824 240834	iimj@jla.vsnl.net.in	iimphagwara.com
International Institute of Professional Studies (Director/Dean) A.K. Ramani					
CET	IIPS, DAVU, Khandura Road, Indore 452017	0713 2461888	0731 2468507	ramaniips@davuniv.ac.in	davv.ac.in
International Management Institute (Director/Dean) Nitesh K. Sengupta					
CAT	B-10, Qutab Institutional Area, N Delhi 110016	011 26529237/38	011 26869539	imi@giad101.vsnl.net.in	imi.edu
International School of Business and Media (Director/Dean) Pramod Kumar					
XAT (XLRI)	Ashok Plaza, 32/2, Nagar Road, Pune 411014	020 6633445	020 6633445	pk0306@rediffmail.com	isbmpune.com
Invertis Institute of Management Studies (Director/Dean) V.S. Jauhari					
UPMCAT	12th Milestone, Lucknow Highway, Bareilly	0581 2460442/43	0581 2460454	info@invertis.org	invertis.org
Jagan Institute of Management Studies (Director/Dean) R.P. Maheshwari					
MAT/ATMA	3, Institutional Area, Sec V, Rohini, Delhi 110085	011 27042284	011 27042296	jims@vsnl.com	jimsindia.org
K.J. Somaiya Institute of Management Studies & Research (Director/Dean) P.V. Narsimhan					
CET	Vidyanagar, Vidyavihar, Mumbai 400017	022 25140006	022 25156583	simsr@giasbm01.vsnl.net.in	simsr.com
Karpagam Institute of Management & Research (Director/Dean) T.A. Venkatachalam					
Own Test	KAS College, Pollachi, Coimbatore 641021	0422 2611146	0422 2611043	kasc@md5.vsnl.net.in	karpagameducation.com
Karunya Institute of Technology (Director/Dean) A.E. Muthumanikam					
Own Test	Karunya Nagar, Coimbatore 641114	0422 2615618	0422 2615615	kaint@vsnl.com	karunya.ac.in
Kavikulguru Institute of Technology and Science (Director/Dean) G. Thimma Reddy					
CET	KK Nagar, Ramtek 441106	0711 2455309	0711 2455236	kits@nagpur.dot.net.in	kits.edu
Kirloskar Institute of Advanced Management Studies (Director/Dean) Gopal Iyengar					
CAT	Mat Studies, Post Yantrapur, Harihar 577602	0819 2241269	0819 2241270	kiams@vsnl.com	kiams-hrr.org

The 'Which MBA Survey', published by *The Economist*, ranked IIM-A as the most difficult B-school to get into. The school scored 4.9 on a 5-point scale

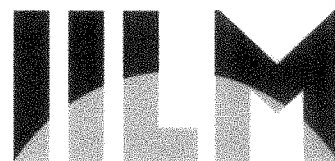
Our first week was truly unforgettable. Our seniors conducted a fake selection process for an international students exchange programme

—Sreedhar Prasad, MDI, Class of 2004

Admission Test	Contact Details	Telephone	Fax	e-mail	Website
KLS's Institute of Management Education & Research (Director/Dean) A.B. Kalkundrikar					
MAT/CAT	Safalya, 427, Tilakwadi, Belgaum 590006	0831 482243	0831 481745	directoredu@klsimer.edu	klsimer.edu
Kousali Institute of Management Studies (Director and Chairman) M.S. Subhas					
CET/Interview	Pavate Nagar, Dharwar 580003	0836 741882/84	0836 741884	director@kimskid.org	kimskid.org
KSR College of Arts and Science (Director/Dean) Kavithaa Srinivaasan					
Own Test	Thokka Wadi, Tiruchengode 637209	0428 8274741/44	0428 8274745	contact@ksrcas.edu	ksrcas.edu
L.N. Mishra College of Business Management (Additional Director) Kameshwar Mishra					
MAT/Own Test	Bhagwanpur Chowk, Muzaffarpur 842001	0621 2250203	0621 2251017	lnmcbm@sify.com	lnmcbm.org
Lal Bahadur Shastri Institute of Management (Director/Dean) R.A. Yadav					
CAT	Shastri Sadan, Sec III, R.K. Puram, N. Delhi 110022	011 26191081	011 26191080	root@lbsim.delnat.ernet.in	lbsim.edu
Lala Lajpat Rai Institute of Management (Director/Dean) M.G. Shirahatti					
CET	Lala Lajpat Rai Marg, Mahalaxmi, Mumbai 400034	022 24922898	NA	lilim@vsnl.com	NA
Loyola Institute of Business Administration (Director/Dean) Casimir Raj					
XAT (XLRI)	Loyola College, Nungambakkam, Chennai 600034	044 28280088		liba@glasmd01.vsnl.net.in	libaonline.net
M.O.P. Vaishnav College for Women (Director/Dean) K. Nirmala Prasad					
ATMA/Own test	20 IV Lane, Nungambakkam Rd, Chennai 600034	044 28258262	044 28215385	mopvcfw@glasmd01.vsnl.net.in	mop-vaishnav.ac.in
M.S. Ramaiah Institute of Management (Director/Dean) M.R. Pattabhiram					
MAT	M.S. Ramaiah Nagar, Bangalore 560054	080 3608230	080 3608230	msrim@vsnl.com	msrim.org
Maharaja Agrasen Institute of Management & Technology (Director/Dean) Raj Kumar Goel					
CET	Agrasen Chowk, Jagadhri 135003	01732 235255	01732 245478	maint@sancharnet.in	maint.com
Maharishi Arvind Institute of Science & Management (Director/Dean) Bharat Parashar					
MAT	Amba Bari, Jaipur 302012	0141 2335487	0141 2335170	maism@datainfosys.com	maism.com
Mahatma Gandhi College (Director/Dean) D.A.R. Subramanyam					
ICET	Edulapalam, Guntur 522019	08632 288313	08632 237923	mgcp@yaho.co.in	NA
Management Development Institute (Director/Dean) Devi Singh					
CAT	P.O. 60, Mehrauli Road, Sukhrali, Gurgaon 122001	0124 2340153	0124 2347789	director@mdi.ac.in	mdi.ac.in
Master School of Management (Director/Dean) I.N. Tewary					
MAT/Own Test	F-17, Shastri Nagar, Meerut 250004	0121 2763441	0121 2770833	mastersm@ndi.vsnl.net.in	masterindia.com
Modi Apollo International Institute (Director and Chairman) Charu Modi Bhartia					
Eng. Proficiency Test/IELTS/TOEFL/CELSA	Lajpat Nagar IV, N. Delhi	011 26441203	011 26446217	info@wiuindia.com	wiuindia.com
Mount Carmel Institute of Management (Director/Dean) M. Jesuina					
XAT (XLRI)	No. 58 Palace Road, Vasanthanagar 560052	080 2261487	080 2261487	mounts@bgl.vsnl.net.in	mountcarmelcollegeblr.org

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Institute for Integrated Learning in Management

3 Lodhi Institutional Area, New Delhi - 110 003. Tel : 24647820. Email : adm@iilm.edu

Admission Test	Contact Details	Telephone	Fax	E-mail	Website
N.L. Dalmia Institute of Management Studies & Research (Director/Dean) Pyare Lal Arya					
Own Test/CET/NLDET	Srishti, Sec 1, Mira Road, East, Mumbai 401104	022 28115601	022 28115602	nldimsr@bom3.vsnl.net.in	nldalmiamgmt.org
Narsee Monjee Institute of Management Studies (Director/Dean) H.H. Mankad					
All India NMAT	V.L. Mehta Road, Vile Parle (West), Mumbai 400056	022 26183688	022 26183665	nmims@nmims.edu	nmims.edu
National Institute of Management (Director/Dean) K.K. Chaudhari					
National Admission Test (NAT)	Judges Court Road, Kolkata 700027	033 24398335	033 24794495	kkchaudhari2001@yahoo.co.in	nimcal.ac.in
National Institute of Management Technology (Director and Chairman) K.P. Singh					
MAT	Mohan Nagar, Ghaziabad 201007	0120 2351323	0120 2736868	NA	NA
Nava Bharti College of PG Studies (Director/Dean) M. Ghosh					
CET	No. 37, Bolarum, Secunderabad 500010	040 27861602	040 23730166	wgcdr_ghosh@yahoo.com	NA
Nehru College of Management (Director/Dean) V. Govindarajan					
Own Test	451-D, Nehru College Campus, Coimbatore 641008	0422 22251148	0422 22251147	NA	nehrucolleges.com
New Delhi Institute of Management (Director/Dean) M. Adhikari					
CAT/IP Univ. Test	60-61 Tughlakabad Inst. Area, New Delhi 110062	011 26096566/67	011 26096570	ndim@nda.vsnl.com	ndimdelhi.org
NIAS College of Business Administration (Director/Dean) S.K. Padhy					
CET/On Spot	Engineering School Road, Berhampur 760010	0680 2291353	NA	office@niascba.com	niascba.com
Nirma Institute of Management (Director/Dean) Anup Kumar Singh					
CAT	Sarkhej-Gardhinagar Highway, Ahmedabad 382481	079 3741900	079 3741916	aksingh@nim.ac.in	nim.ac.in
NITIE (Director/Dean) Thomas Mathew					
Own Test	Vihar Lake, P.O. Nite, Mimbai 400087	022 28573371	022 28574836	director@nitie.edu	nitie.edu
Osmania University Post Graduate College (Director/Dean) Naidu Ashok					
CET	Mahabubnagar 509001, AP	0854 2275006	0854 2275088	pgc_mbnr@rediffmail.com	NA
Park's College (Director/Dean) P. Regurajan					
MAT	Chinnakari, Tirupur, Coimbatore 641605	0421 2213318	0421 2212900	parksco@eth.net	parkscollege.ac.in
Pendekanti Institute of Management (Director/Dean) A.M. Ganesh					
CET	4-1-369, Reddy Hostel Lane, Abids, Hyderabad 500001	040 4758261	NA	pendekanti@rediffmail.com	pendekantimgt.org
Peoples Education Society School of Management (Director/Dean) D. Jawahar					
Own Test	Pesit Campus, Banashankari, III Stage, Bangalore 560055	080 6721983	080 6720886	jawahar@edurite.com	pes.edurite.com
Pioneer Institute of Professional Studies (Director/Dean) Pramod K. Jain					
MPM JET	Mahalaxmi Nagar, Ring Road, Indore	0731 2570625/45	0731 2554202	pips@sancharnet.in	pioneerinstitute.com
Pragati Maha Vidyalaya Post Graduate College (Director/Dean) Laxminarasiah					
CET	4-3-148, Hyderabad 500195	040 24753887	040 24753921	pmvpgcollege@yahoo.com	pragatimahavidyalaya.org

“After the Personality Development Programme (the introductory session for freshers), there was a cricket match where all the rules favoured the girls”

—Randheer Bhardwaj, IIFT, Class of 2004



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ABOUT THE ENPC MBA

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MBA Rankings - Top International MBAs in India		
Rank	Institutions	Affiliating Foreign University/Institute
1.	Indian School of Business, Hyderabad	Wharton, Kellogg
2.	Global Business School, New Delhi	ENPC
3.	Welingkar Institute, Mumbai	Temple
4.	New Delhi Institute of Management, New Delhi	Heriot Watt

Source: Competition Success Review, Nov., 2002

What's more, it has also been **ranked 7th among the top MBA programmes in India** by the Indian Express.

Education Zone	
Rank	Institute
1	IIM Ahmedabad
2	IIM Bangalore
3	IIM Calcutta
4	IIM Lucknow
5	Faculty of Mgmt. Studies, Delhi
6	XLRI, Jamshedpur
7	Global Business School-ENPC MBA, Delhi

Indian Express, (Education Zone, New Delhi, Feb-March 2002).

For further details, contact: Admissions Coordinator, 48 Okhla Industrial Estate, Phase - III, New Delhi - 110020
Ph: 26322621/622/638/592 Fax: 26322623 E-mail: admissions@enpcmba-india.net, amita.agarwal@ils.edu Website: www.enpcmba-india.net

The ENPC MBA degree is awarded by ENPC, a French University and is not recognized by the Government of India, State Governments, UGC, AICTE or AIU.

WHY ENPC

- | | |
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| 2. Internationally recognized degree | ENPC ✓ |
| 3. International Faculty from MIT, IMD, HEC, ENPC, LSE, Oxford... | ENPC ✓ |
| 4. Past placements in McKinsey, Coke, Nestle, Tata Group, E&Y, Pepsi... | ENPC ✓ |
| 5. Pay package up to 7 lacs p.a. | ENPC ✓ |
| 6. Exchange programme with France, UK, China, Morocco... | ENPC ✓ |
| 7. Sequential teaching methodology | ENPC ✓ |

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–Ankur Vohra, IIM-A, Class of 2004

Admission Test	Contact Details	Telephone	Fax	E-mail	Website
Prestige Institute of Management (Director/Dean) Pradeep Puranik					
State CET	Rambagh Vikas Nagar, A.B. Road, Dewas, M.P.	NA	NA	pimdewas@eth.net	NA
Prestige Institute of Management & Research (Director/Dean) Upinder Dhar					
CET/State CET	2, Scheme 54, A.B. Road, Indore	0731 2557510	0731 2554274	pimrindore@sancharnet.in	pimrindore.com
Prin. L.N. Welingkar Institute (Director/Dean) Uday Salunkhe					
CET/Own Test	2, Napoo Road, Matunga (C.Rly), Mumbai 400019	022 24071323	022 24097824	welingkars@vsnl.com	welingkars.com
PSG Institute of Management (Director/Dean) R. Nandagopal					
MAT/Own Test	PB No1668, Avinashi Rd, Peelamedu, Coimbatore 641004	0422 2544252	0422 2572375	director@psgim.ac.in	psgim.org
Rai Business School (Rai Foundation) (Director/Dean) Barnali Chaklader					
RFGMAT	Mathura Road N. Delhi 110044	011 26959200	011 26959999	delhirbs@raifoundation.com	raifoundation.com
Rajagiri College of Social Sciences (Director/Dean) N. Rangana H.					
Own Test	Rajagiri Valley, Kakkanad P.O., Kochi 682030	0484 2426554	0484 2426578	rajagiri@md2.vsnl.net.in	rajagiri.edu
Rajarambapu Institute of Technology Management Studies (Director/Dean) S.V. Deshpande					
CET	Islampur, Sakharle 415414, Maharashtra	02342 226488	02342 220989	ritraj@vsnl.com	ritindia.com
Rajas Colleges, The Indian Engineering College (Director/Dean) S.A. Joy Raja B.S.					
Own Test	Raja Nagar, Vadakkangulam, Tiruvveli 627116	04637 230111	04637 230066	info@rajas.edu	rajas.edu
Regional College of Management (Director/Dean) Prabir Pal					
UUMAT	GD-2/12 & 2/13, Chandrashekherpur, Bhubaneswar 751023	0674 2300901	0674 2300421	pllprabir@yahoo.com	rcmindia.org
Rizvi Institute of Management Studies & Research (Director/Dean) C.G. D'Lima					
CET	New Rizvi Educational Complex, Bandra (W), Mumbai 400050	022 26042180	022 26049710	rizvimgmt@indiatimes.com	rizvimanagement.com
RJS Institute of Management (Director/Dean) Krishna K. Havaladar					
MAT/Own Test	III Block, Koramangla, 17th Main, Bangalore 560034	080 5539648	080 5534943	rjims@vsnl.net	rjims.org
Rourkela Institute of Management Studies (Director/Dean) Sourya Pattnaik					
MAT	Institutional Area, Gopabandur Ngr, Chhend, Rourkela 769015	0661 2480482	0661 2480665	rkl-rimsgrol@sancharnet.in	rims-edu.com
S.P. Jain Institute of Management & Research (Director/Dean) M.L. Shrikant					
CAT	Munshi Nagar, Dadabhai Road, Andheri (W), Mumbai 400058	022 26237454	022 26237042	spjicom@spjime.ernet.in	spjimr.org
Sarojini Naidu Vanita Mahavir (Director/Dean) Priyadarshini Kapadi					
CET	M.J. Road, Hyderabad 500001	040 24603266	040 24735336	vanita@nettlinx.com	snvanita.hd2.dot.net.in
School of Business Management (Director/Dean) S. Balaramireddy					
CET	Tirupati 517002	NA	NA	sbmtpt@yahoo.com	NA
School of Communication & Management Studies (Director/Dean) G.P.C. Nayar					
MAT/ATMA/XAT	Management House, South Kalamassery, Kochi 682033	0484 2556315	0484 2540482	scms@vsnl.com	scmscochin.com

Management Institutes from Delhi

The popularity of management education in the country can be gauged by the number of management institutes that have mushroomed around the country. Each institute trying to provide to its students a sound curriculum taking into account the challenges thrown up by the business environment and the ever changing needs of the industry.

Sri Sringeri Sharada Institute of Management

At the Sri Sringeri Sharada Institute of Management, the motto is "ethics first, business next". This inculcates in the students an ethical approach in their professional interactions and sense of personal, corporate and social responsibilities. The learning mechanism is designed to prepare the students for holistic management of life based on Vivek Management. Apart from the emphasis to produce value enriched managers there is an equal emphasis on academic excellence. In academics the priority is accorded to the quality of the academic programmes, research initiatives and creative work. The combination of concepts, theory and practice is what the PGDBM course is all about. The focus is the combination of management practices and theory, with age-old literature on Indian spirituality. Another aspect is the emphasis on team building and independent decision making. The students are required to work in a team which are self directed and self sustained. Most of the institute's activities like admission, placement, discipline, library management, event management, guest lectures and interaction with industry are managed by student Self Management Teams. The institute strongly believes that as markets in India open up the demand for management students is bound to increase. The institute further trains the students through a system of workshops, consultancy provided to corporates, conventions and management research projects. The core of the learning though dwells of Vidya (knowledge of their field) and Vivek (wisdom) that moulds them to be excellent human beings.

Institute of Management Education

Institute of Management Education in its span of seven years of existence has responded to the changing needs of the economic environment. It offers degree courses in education, library science and law besides management and IT programmes at the undergraduate and post-graduate level. Other courses apart from the Post graduate diploma in management include the diploma course in marketing and sales management, BBA, M.Com and programmes in information technology - MCA, BCA and post graduate diploma course in Computer application. The requisite infrastructure and facilities back up is provided to sustain quality education. The campus is situated on five acres of land and the lecture rooms are well equipped with the use of audio-visual equipments. The IT Centre includes the multimedia lab, Hi-Tech Lab, Cyber Lab and a hardware lab. The labs put together have about 160 workstations. The Learning Resource Centre has two libraries. The core faculty provides guidance to the students in the form of theoretical inputs while the visiting faculty, management experts and practicing managers provide the much needed practical inputs. The academic sessions provides for personality development through interactive dialogue. Group discussions, debates, special lectures, seminar and conferences form a part of the teaching routine. The students are also encouraged to work in teams and build on their decision-making skills. There is also emphasis on written and oral communication skills. Well known personalities are invited as guest speakers from the corporate world and students learn much from the interaction with them.

Western International University

Western International University has been brought to India through a joint venture between the K K Modi Group and Apollo International Inc., USA, to impart education leading to the award of Master's and Bachelor's



degrees in management and information technology.

The focus: to build on India's strengths of excellence in service through its proven highly intelligent and industrious human capital. The services could be in education, health back office services and myriad other activities, which require intelligent and hard working workforce. The mission is to create an institute of excellence where promising students develop their faculties to prepare for positions of leadership in a dynamic global market place. In pursuit of this it has hired the services of Prof. Ramaswamy Aiyar, who was the Director of Indian Institute of Management, Calcutta for over eleven years. The course curriculum of WIU, representing the best in USA has been customized to Indian needs in consultation with outstanding content experts from various top notched business schools in the country.

The other benefits of the education programme include: The education is crafted to be relevant to industry "creating smart and practical Managers rather than mere theorists"; faculty comprising senior managers with outstanding professional performance and requisite Master's degree; a manageable class size of about 30 students; course content is current and relevant to the job market. For working executives, the institute has a special programme which offers flexible timings, thus making it possible to acquire new skills while continuing with one's job.

Admission Test	Contact Details	Telephone	Fax	E-mail	Website
School of Communication & Management Studies (Director/Dean) Asif Waqif					
CAT	University of Hyderabad, Hyderabad 500046	040 23011091	040 23011091	NA	NA
School of Management Sciences (Director/Dean) Mukund Lal					
CAT	Hathua Market, Chetganj, Varanasi 221001	0542 2271770/71	0542 2358297	smsvns@satyam.net.in	smsvaranasi.com
School of Management Studies (Director/Dean) I.C. Agarwal					
UPM CAT	Allahabad 211004	0532 2545334	0532 2445101	sms@ganesh.mnrec.ac.in	mnrec.ac.in
SDM Institute for Management Development (Director/Dean) A.K. Rao					
CAT	2254 Vindia Road, Mysore 570005	NA	NA	sdmind@vsnl.com	NA
Shailesh J. Mehta School of Management (IIT-Bombay) (Director/Dean) Mangesh G. Kargoaner					
JMET	IIT Bombay, Powai, Mumbai 400076	022 25767781	022 25722872	admissions@som.iitb.ac.in	iitb.ac.in/~som
Sherwood College of Management (Director/Dean) S.P. Singh					
MAT/UPMCAT/CAT	Sector 25, Indira Nagar, Lucknow 226016	0522 2716630	NA	sherwoodindia@sherwoodindia.com	sherwoodindia.com
SIES College of Management Studies (Director/Dean) A.K. Sen Gupta					
CET (MMS)/Own Test (PGDBA)	IF, Sector V, Navi Mumbai 400706	022 27708376	022 27708379	sengupta@siescoms.edu	siescoms.com
Siva Sivani Institute of Management (Director/Dean) N.R.K. Reddy					
MAT/SSIM Test	Kompally (Via) Hakinpet, Secunderabad 500014	NA	NA	ssampathy@ssim.ac.in	ssim.ac.in
Sona School of Technology (Director/Dean) R.S. Sivaram					
MAT/Own Test	Thaigarajar Polytechnic campus, Salem 636005	0427 2443545	0427 2449174	sonatec@vsnl.com	sonatech.ac.in
Sri Sringeri Sharda Institute of Management (Director/Dean) C.V. Ramanan					
MAT/ATMA	Shankar Vidya Kendra, Vasant Vihar, N Delhi 110007	011 26140597	011 26141811	srisim@vsnl.net	srisim.org
Satyendra Narayan Sinha Institute of Business Management (Director/Dean) N.P. Singh					
ATMA	Dhurwa, Ranchi 834 004	0651 2408907	0651 2408907	snsibm@rediffmail.com	snsibm.com
Sultan-UI-Uloom College of Business Administration (Director/Dean) Shahbaz Ahmed					
CET	Hyderabad 500034	040 23351547	040 23350605	shahbaz-ahmed@yahoo.com	NA
Symbiosis Centre for Management & HRD (Director/Dean) M.S. Pillai					
Own Test	15, Pune Infotech Park, Hinjawadi, Pune 411027	020 2934305/06	020 2934304	scmhrd@pn2.vsnl.net.in	scmhrd.edu
Symbiosis Institute of Business Management (Director/Dean) Arun Mudbidri					
Own Test	Senapati Bapat Road, Pune 411004	020 5654626	020 5659499	sibm@vsnl.com	sibm.edu
Symbiosis Institute of International Business (Director/Dean) Dilip Badwe					
Own Test	Plot No. 15, MIDC Hinjawadi, Pune 411027	020 2934314/15	020 2934316	director@mail.siib.ac.in	siib.ac.in
Symbiosis Institute of Management Studies (Director/Dean) D.S. Kadam					
Own Test	Range Hills Road, Kirkee, Pune 411020	020 5810823	020 5816007	dirsims@vsnl.com	sims.edu

The first full under-graduate programme in business was established in 1889, thanks to Joseph Wharton's donation of \$100,000 to the University of Pennsylvania

Management Institutes from Delhi:

contd..

ITS Ghaziabad

ITS Ghaziabad was established in 1996 and offers the PGDM (approved by AICTE), MCA (approved by AICTE & affiliated to the U.P. Technical University, Lucknow, M.Sc. Information Science, BCA & BBA (all three affiliated to the CCS University, Meerut).

The institute is equipped with an excellent infrastructure. This includes: round the clock internet connectivity through 128 kbps Radio Link from VSNL, three state-of-the-art computer labs with 250 plus Pentium based computers with latest software and networked with each other, an air conditioned Auditorium, Seminar Hall, Cafeteria and Student Activity Centre. The library is fully automated, air conditioned and well stocked with eleven thousand plus books, 120 plus Indian & Foreign journals. It offers residential accommodation for students with a separate hostel for boys and girls. The institute publishes a bi-annual Journal titled 'Synergy' - the ITS Journal for IT & Management and a quarterly Newsletter. The institute has had a track record of 100 percent placements at both MCA and PGDM levels. The students have been placed at leading companies in the country. The Placement Cell with all communication is run with the joint efforts of the faculty and student members. The Corporate Consultancy & Management Development Centre of ITS offers MDP, EDP & in-company training programmes for corporates in the public and private sectors.

Aegis School of Telecommunication

Aegis School of Telecommunication as the name suggests has been established with the objective of providing skill oriented quality education to the candidates in the growing field of telecommunication management, through short term courses, one year diplomas, MDPs, EDPs, workshops, seminars, training, consultancy and research. It has tied up with Tonex Inc. US, Eagle Photonics as training partners and IPS Academy which gives access to Cisco Network Academy for Corporate Training. The institute offers short term courses which

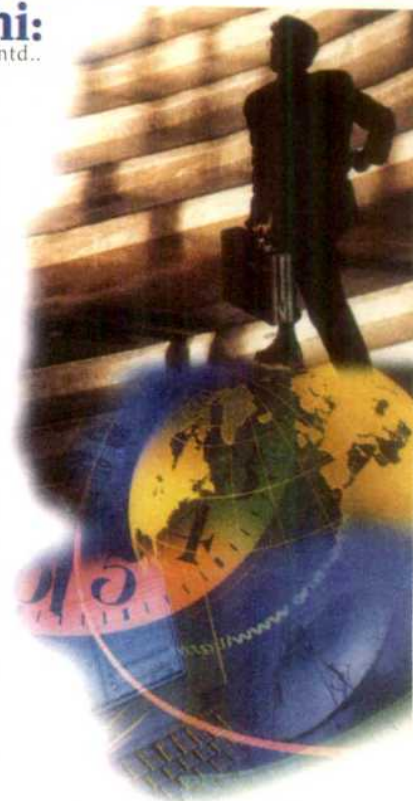
are targeted at telecom companies. The programme is ideal for working executives who can upgrade their skill level and knowledge in a short span. The programmes vary from an intensive two-day session to a course of one week. These courses also act as excellent abridge courses for students wanting to join telecom companies at the entry level..

The institute also offers the one year full time interdisciplinary programme in telecommunication PGDTM. The programme is specifically designed to provide future telecommunication leaders who are capable of managing telecommunication projects efficiently. The focus of the course is to equip the students with a broad knowledge in business, technical and communication disciplines as well as provide a depth of knowledge in their chosen specific elective areas. The course is a combination of management tools and technological understanding of the telecommunication industry. The core management courses constitute 40% of the programme while the balance 60% comprise advanced telecom / IT technologies. The course has been designed on the lines of the Masters of Science in Telecom Management as offered by the Oklahoma State University. It focuses on the complex nature of the telecom industry and covers all aspects related to it like marketing, HR, Finance.. The aim of the course: to enable the students to contribute effectively to the organization that they join.

The Global Business School

The Global Business School offers the ENPC MBA. Ecole Nationale des Ponts et Chaussees (ENPC) was founded in 1747 and is one of the oldest and most revered Universities of France. The ENPC MBA offers two major degree programmes: the MBA - General (regular - two years), MBA- General (fast track - one year), MBA - IT specialisation (regular - two years) and MBA-IT specialization (fast track - one year).

The distinguishing features of the programme: It has been accredited by AMBA Europe and is accepted



worldwide, the advanced credit courses are taught by international faculty, professional company project (with stipend) leading to employment, 100% PCP placement record for all batches, sequential teaching methodology with one module taught at one time, state of the art curriculum aimed at global opportunities, international student exchange programme and study trips, excellent infrastructure including centrally air conditioned campus, on-line international library, state of the art computer lab with dedicated internet connectivity, multimedia auditorium, scholarships for meritorious candidates from the French Government. The ENPC MBA focuses on five key study tracks viz: information technology, international finance and economics, international marketing & strategy, leadership and general management and business development and new technologies. Under the international exchange programme, selected students can undergo one term of the academic programme at any of the other member institutions in the ENPC MBA network - Paris, Shanghai, Casablanca, Tokyo or Delhi. ■

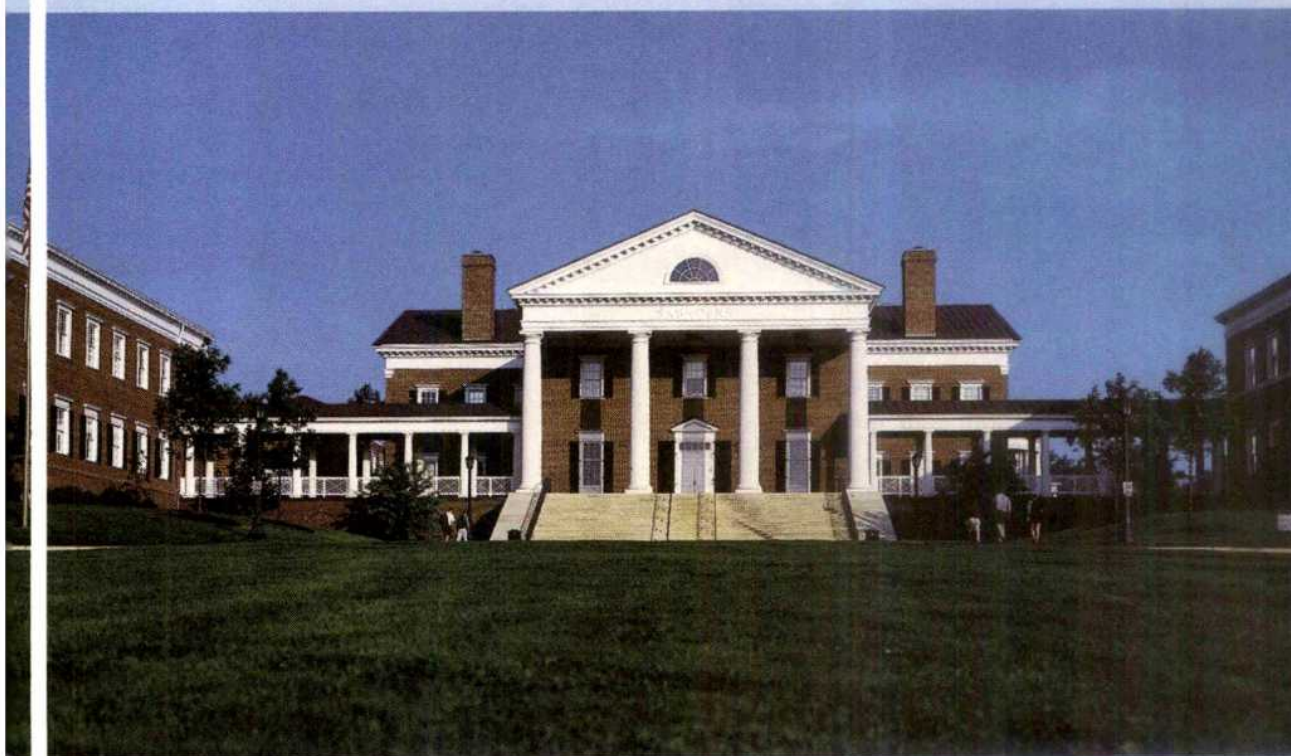
- Chitra Balasubramaniam

The first B-schools were established in the US, the UK and Germany in 1881, 1895 and 1898 respectively. India's first B-school came up in 1956

Admission Test	Contact Details	Telephone	Fax	E-mail	Website
Symbiosis Institute of Telecom Management (Director/Dean) Virendra Kapoor					
Own Test	Atur Centre, 1068, Model Colony, Pune 411016	020 5674150	020 5675953	info@symbiosistelecom.com	symbiosistelecom.com
T.A. Pai Management Institute (Director/Dean) D. Nagabrahman					
CAT	T.A. Pai Management Institute, Manipal 576119	NA	NA	director@mail.tapmi.org	tapmi.org
Thiagrajar School of Management (Director/Dean) R.S. Ganapathy					
ATMA/MAT/TSM	Thirupparankundram, Madurai 625005	0452 2484099	0452 2483099	tsm@md3.vsnl.net.in	tsm.ac.in
United Institute of Management (Director/Dean) Jagdish Gulati					
UPSEAT	A-31, UPSIDC, Ind Area, Naini, Allahabad 211010	0532 2686070/90	0532 2687142	unitedad@nde.vsnl.net.in	unitedcollege.com
University Business School (Director and Chairman) K.K. Mangala					
CAT	University Business School, Arts Block III, Punjab Univ, Chandigarh	NA	NA	club@ubschandigarh.com	ubschandigarh.com
Vaikunth Mehta National Institute of Co-operative Management (Director/Dean) B.B. Barik					
Own Test	University Road, Pune 441077			vmnicom@pn2.vsnl.net.in	NA
Vellammal College of Management & Computer Studies (Director/Dean) S.N. Soundra Rajan					
MAT	Velanimal Nagar, Ambattur-Red Hills Road, Chennai 600066	044 26591732	044 26591830	vmcs@etn.net	vmcs.com
Vignana Jyothi Institute of Management (Director/Dean) Vishwanath Desai					
Own Test-AICTE	7, Rd No. 1, West Marredpally, Secundrabad 500026,	040 27805778	040 23751182	vijin@hd2.dot.net.in	vignanajyothi.com
Visakha Institute for Professional Studies (Principal) G. Anantram					
ICET	7, Jagannadha Raju Nagar, Venkosi Palem, Vizag 530022	0891 2537794	0891 2537793	vipscollege@satyam.net.in	NA
VMKV Engineering College (Director/Dean) V.R. Rajendran					
Own Test	Periya Seeragapadi, Salem 636308	0427 2477540	0427 2477903	slm-vims@sancharnet.in	NA
Vysya Institute of Management Studies (Director/Dean) Rajendra Prasad					
MAT/Own Test	Masinaickenpatti, Ramakrishnapuram, Salem 636103	0427 2240107	0427 2241429	vysyacollege.2002@yahoo.com	vysyacollege.org
Wigan and Leigh College (Director/Dean) Vinay Pasricha					
Interview	401-402, Skipper Corner, 88 Nehru Place, N Delhi 110019	011 26440404	NA	enquiry@wiganindia.org	wiganindia.org
Xavier Institute of Management and Entrepreneurship (Director/Dean) J. Philip					
ATMA	XIME, Electronics City Phase II, Hosur Road, Bangalore 561229	080 8528597/98	080 8528733	ximemp@blr.vsnl.net.in	xime.org
Xavier Institute of Management, Bhubaneswar (Director/Dean) E. Abraham					
XAT (XLRI)	Xavier Square, Bhubaneswar 751013	0674 2300097/98	0674 2300995	info@ximb.ac.in	ximb.ac.in
Xavier Institute of Social Sciences (Director/Dean) Beni Ekka					
MAT/XAT	PO No. 7, Purulia Road, Ranchi 843001	0651 2200873	0651 2312482	rch_xisspb7@sancharnet.in	xiss-ranchi.org
Xavier Labour Relations Institute (Director/Dean) P.D. Thomas					
XAT (XLRI)	PO No.222, CH Area (East), Jamshedpur 831001	0657 2231525	0657 2227814	pdthomas@xlri.ac.in	xlri.ac.in

Businessworld

GUIDE TO FOREIGN B-SCHOOLS



A user's manual to selecting the right global B-school, acing the GMAT and winging it through the rigorous admissions process

Does One Equal Two?

THE US norm is two years. But there are some excellent programmes in Europe that follow the shorter one-year MBA format, most notably INSEAD and IMD. So which is better? We invited Vijay Mahajan, dean of Indian School of Business, to argue the relative merits of the two options with Laura D'Andrea Tyson, dean of London Business School.

VIJAY MAHAJAN, dean, Indian School of Business

THE emergence of the information-centric economy has fundamentally changed the world of work, management, and the way business is done. Amid the noisy hype that accompanies the new economy, the MBA programme progressed quietly into its second century. It kept pace, remained dynamic and evolved to meet the challenges of the new age. This scenario has created an interesting market choice. An MBA today comes in many variations: the full-time two-year MBA, the full-time one-year MBA, distance-

nesses. In particular, many are eager to join start-ups. This is where the one-year MBA makes its presence felt. It is specially designed to suit the requirements of experienced professionals or entrepreneurs who are looking for a change in or to add a fillip to their careers.

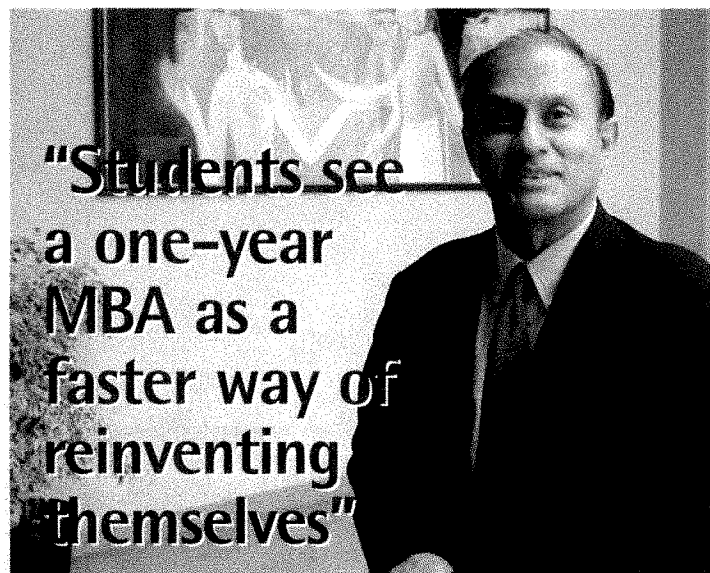
The student profile of the one-year MBA is quite different. They are slightly older, with a minimum of three to four years of experience. The one-year model also provides a cost advantage for self-funded students. The cost, in terms of tuition and living expenses, as well as the opportunity cost of leaving their job, is proportionately lower. This model helps students on a sabbatical to return to their workplace quickly. Companies intent on equipping their employees with general management skills prefer a shorter programme for the same reasons.

The one-year MBA is intensive and requires a high degree of commitment. But there is little doubt that it is good preparation for business life, where time management and priority-setting are essential skills. The programme also aims to improve job effectiveness and ability to respond swiftly to newer situations. Networking with experienced peers is an important outcome.

The strength of a one-year course depends upon the curriculum. Additional emphasis on soft skills, experiential learning and participation in a broad range of activities throughout the curriculum need to augment classroom experiences.

At ISB, we offer a one-year Post Graduate Programme in Management. Our curriculum is intensely focussed on entrepreneurship, technology, managing in emerging markets, and leadership and change management – critical drivers of success in today's world of business.

With the changing business environment, the rise of the Internet and new entrepreneurial Zeitgeist, one requires faster understanding of the new issues. Today, prospective MBA students are increasingly seeing the one-year programme as a faster way of reinventing themselves. Finally, it's a matter of individual choice to suit individual needs.



learning MBA, part-time MBA, executive MBA – all options that have evolved to suit specific needs of the customers.

In today's business climate, an MBA programme is expected to equip managers to understand and interpret the informational features of economic activity, the emerging value propositions and the effects of globalisation, all within the context of political realities. Both companies and the new generation of young, ambitious managers are trying to choose the MBA programme that fits their long-term aims.

Fifty years ago, ebullient managers dreamt of running corporations and now they dream of starting their own busi-

LAURA TYSON, dean, London Business School

THE MBA degree is increasingly accepted worldwide as a measure of acquired business skills and management acumen. It is a credit to all business education providers that the debate now focuses on the length and style of the programme, rather than the value of the degree itself. North America predominantly offers the two-year degree, while European institutions generally favour one-year programmes and short-term certificate courses.

The very best MBA programmes develop three competencies: knowledge acquisition, leadership skills and the ability to network. The top performers achieve this in an international context. It takes time for students to master the management tools of analysis and synthesis. While technology has eased limits to how quickly individuals can learn and absorb information, now more than ever MBA candidates need time to study the marketplace where they are expected to apply these new lessons.

The past few years have proved how dramatically the markets can change within the tenure of the MBA degree. Companies need enduring solutions, not short-term training. For this reason, the popularity of the two-year MBA has extended into the field of executive education, with an increased number of company-sponsored executives pursuing full MBA options alongside high-level careers. Sponsoring firms are willing to support two years of study, especially if their employees can learn how to save capital or improve management practices.

The London Business School (LBS) MBA develops graduates who are able to 'work anywhere with anyone' reflecting their deep knowledge and technical ability in at least one business function in a competitive global context.

Unlike the European MBA, our students have time to develop knowledge and skills in depth over 15 core courses in the first year, and a range of over seven elective concentrations in the second year.

Unlike the American MBA, all students have competence in at least two languages as a condition of graduation. All students are placed in international work groups, with 85% of the student body coming from outside UK from over 60 different countries. We teach Japanese, Mandarin Chinese, French, Spanish and German.

The two-year curriculum allows ample time for the practical experience that is greatly prized by employers, with project work and internships designed to force students to reflect on their own development and their place in the workforce.

This practice serves as a 'make or break' apprenticeship for our students, which helps them produce measurable results for their employers. As with the language require-

ment, students must perform well in the second-year project in order to earn the MBA.

Our interpretation of the two-year degree gives students an opportunity to explore different career options, from traditional business roles via a paid internship to launching entrepreneurial ventures through the Entrepreneurship Summer School and Sussex Place Ventures, LBS' investment fund. The vast majority of our students take up a summer internship: up to 50% are typically offered a permanent post by that employer. Even in times of recession when new jobs are scarce, many employers consider internship recruiting a proven way of orienting and training future employees.

Finally, the two years spent at LBS enable MBA candidates to develop deep friendships with colleagues who rank among the best business minds worldwide.

Top management education is essentially a long-term investment for the student, school and employer. The benefits often begin immediately with a change of sector, country or function as well as increased salary. A recent *Forbes* survey (October 2001) showed that LBS was second only to Harvard in terms of return on investment of a two-year MBA. Longer term, however, the true value of the experience comes in the form of the much-expanded range of ca-



reer options open to graduates for over three decades of working life.

Two years may seem a rather hefty investment to an individual at the beginning of his or her career. In fact, it is a modest sacrifice when judged in the context of an entire career. The two-year MBA at LBS reflects our commitment to the leaders of the future. Management is a profession, just like any other, which requires comprehensive formal preparation. A two-year investment in professional development is the mark of a serious leader and a serious business education provider. ■

Get Ready to Live Life at A Speeded-up Pace



VIJAYA KHANDAVILLI

FOR many students, the search for a B-school begins at the free basic information session given at the US Educational Foundation in India (USEFI). In this article, Dr Vijaya Khandavilli, educational advisor at USEFI¹, answers the questions upper-

most in the mind of every global MBA aspirant:

Why business school? Why an MBA degree?

Over the past three to four decades, business school has become the most visible destination world over and MBA, the most popular and sought-after postgraduate degree. More than 70,000 MBA degrees are awarded annually in the United States alone. It is a degree that is demanded by graduates of almost every discipline and is regarded a sure way to climb the social and professional ladder.

Who should go to business school?

Graduate students headed to business schools often share many of these characteristics:

- Sense a need to fill gaps in one's knowledge base
- Want to develop skills necessary to succeed in business or a number of other different careers
- Aspire for a career change or enhancement
- Like to lead a team
- Enjoy intellectually challenging and demanding experience
- Want to develop sufficient skills to start and run one's own business
- Seek increased earning potential

What does an MBA programme involve?

MBA programmes are academically very demanding with often 60-hour long weekly workloads. It is a major personal investment of time and money and is therefore important to deliberate if one can do what one wants to do without going through the rigour of an MBA programme. While graduate programmes such as physics and chemistry are knowledge-based, and concept-oriented and

courses like fashion design, graphics, animation are application- or skill-oriented, MBA courses are typically practitioners' courses and lie somewhere in-between the knowledge based and the skill oriented.

MBA is like a boot camp for would-be managers. Students are drilled in the basics, forced to experiment in different situations, taught to apply analytical arguments, cooperate and compete with different types of people, and in general, live life at a speeded-up pace. By the time one gets out of a global B-school, one is endowed with several recognisable managerial skills and is ready to hit the ground running.

What are the basic requirements to apply for admission to MBA?

One must have a bachelors degree and (ideally) two to three years of full-time work experience in a responsible position.

But don't I need 16 years of education?

B-schools consider a variety of criteria towards eligibility for admission. Often lack of one criterion could be overcome with the strength of other criteria. There is a fair bit of discretion with the schools and it is best that the students check with the schools they plan to apply to for specific policy of the school.

What if I have a bachelors degree but not in a field related to business?

Most business schools neither specify nor demand a business-related undergraduate major. In fact, the relevance of an MBA cuts across fields – Anthropology to Zoology. However, most MBA programmes prefer students with a good background in economics and calculus.

Why is work experience important?

Teaching in an MBA programme is not confined to the classroom. Teaching methods include lecture, case study, group discussion, project work, and computer simulation. Additionally an MBA student is required to participate in seminars, and internships. All of these require skills that

one gets while working and such skilled students are able to absorb and relate to what is taught in the class and contribute to it. Students without sufficient work experience are not able to write good business school essays and find themselves at a clear disadvantage even at the time of applying to B-schools.

Is part-time work experience adequate?

The idea is to demonstrate experience in responsible positions where one develops skills associated with business schools – skills such as analytical, problem resolving, leadership, decision making, negotiating, communication, and ability to take risks and challenges. Often part time positions do not demand or train for such skills.

But it is so difficult to find responsible positions for raw college graduates...

Yes indeed! It is a Catch-22 situation for most recent college graduates – employers demand postgraduate qualifications and master's programmes require work experience. Suggested possibilities: start your own business or enterprise requiring a small amount of capital; enter family business; take on paid or unpaid internships or training opportunities to develop contacts; volunteer in community service projects; contribute to activities of professional societies for networking benefits; and take up jobs outside the business sector, like teaching jobs. Through innovation, motivation and challenge one can create responsible and resume-building work for oneself.

Do I really need an MBA from abroad?

Good question, considering the costs involved. The short answer is: yes, it is important to study in a country with a culture, ethos and language other than one's own. MBA study is expected to provide a transformational and lasting experience individuals can draw upon all through life and peer-learning is an integral part of this experience. "Going global" is the operative word today for success and understanding other cultures and business practices is essential for success.

What about financial assistance?

Relatively less funding is available for MBA programmes. Assistantships are not too common, but tuition scholarships and internships offer some relief. Summer jobs are another source of raising funds.

MBA study abroad is a good idea but how do I select a good school?

The best school is one that fits one's needs. To begin with, assess your academic and career goals, understand your needs, develop an academic focus and a financial plan and evaluate your needs. Then focus on AACSB² accredited programmes and gather information on these programmes. Classify the information into four broad categories:

STUDENT DATA Size of the class; its average age, GPA, GMAT score and work experience; nationality and gender of enrolled students – all are important criteria to assess

competitiveness of admissions. It is important to note that schools look for diversity in the class and not clones.

FACULTY SPECIFICS Number of full time/ part time/ adjunct professors; their academic distinctions; research and professional activities; network range and availability of professors are other important criteria to consider.

RECRUITERS Assess post-graduation benefits and prospects of summer internships. How many recruiting companies visit the school and how many times do they visit in a year? What are the most popular fields? How many offers are there per student and what is the quality of these offers?

SCHOOL SPECIFICS Find out the size, location, reputation, and mission of the school. Geographic location isn't the only thing to consider. Students interested in IT-related concentrations might find schools located in Pennsylvania, New Jersey, Massachusetts, California, and Texas ideal. Similarly Michigan is good for students interested in automobile-related fields. Also look at the small versus big city factor. The logo and mission statement of the school should be studied to know the philosophy of the school.

Ask programme-related questions. What are the starting dates? What is the length of each term and total programme? Are there joint degree programmes? Is there an interdisciplinary focus in the programme? Are there any exchange programmes with other well reputed schools? What specialisations does the programme offer?

The curriculum is the next filter. What does it look like? Does it offer preparatory courses for undergraduate non-business majors? How rigid is the core course component? Are course waivers possible for well-prepared students with business backgrounds? Are the courses well integrated with different functional areas, for example production with operations; manufacturing with marketing? Does the programme have several electives? What about non-business courses? Are they available for credit? How about projects for credit? What are the teaching methods? What is the workload like?

And finally, you should find out what services and support can be expected from the career services office. Does it offer help in interview-skill building, and resume preparation? How proactive and dedicated is the alumni body? What about fundraising by alumni?

Key to successful short-listing of schools lies in the answers to the above questions. ■

Vijaya Khandavilli is with US Educational Foundation in India (USEFI), Fulbright House 12 Hailey Road, New Delhi 110001 (www.fulbright-india.org)

Note: The author gratefully acknowledges the support received from USEFI and inputs received from professional colleagues and MBA student members at USEFI.

¹USEFI offices have well stocked libraries with good supply of books and software on study in the US.

²Association to Advance Collegiate Schools of Business (AACSB)

"At Stanford, You Learn The Art of Leadership"

It isn't Ivy League, if you go by the strict definition. But Stanford University's MBA is among the most coveted in the world. One of its objectives is "to qualify students for personal success and direct usefulness in life, and to promote public welfare by exercising an influence on behalf of humanity and civilisation". An interview with director of MBA admissions Derrick Bolton

O Most schools send out a strong message that only students who share their core values stand any chance of getting admission. What are Stanford's core values?

Bolton: The mission of the Stanford Graduate School of Business (GSB) is to develop

leaders and to create ideas that, together, change the world. We summarise our core values as a commitment to:

- Personal integrity and honesty
- Intellectual integrity and honesty
- Life-long personal and professional development
- Cooperation
- Respect for one another
- Respect for the mission of Stanford GSB and its individual pieces
- Diversity, and to learning from diversity
- Taking risks in research, learning, and personal growth
- Public and community service in the university and also in society.

We distill these values into three criteria for admission: demonstrated leadership potential, strong academic aptitude, and contributions to the diversity of the Stanford community.

Businessworld: Is there any part of the application – essays, recos, resumes, or GMAT scores – that is given more weightage while assessing international students?

Bolton: Philosophically, it is impossible to answer any question based on 'international students versus domestic students' because the entire Stanford MBA programme admission process is based on the individual, not the group or category.

Evaluating the individual applicant file is only one of the two critical aspects of the admission process. The next step is a comparative process, deciding which of the highly-qualified

candidates to admit. Are there specific weightages to different parts of the application? No. Do we have a formula for constructing the class? Again, no. Do we have target percentages or quotas for specific industries, colleges, or countries? Absolutely not. This process definitely is more of an art than a science.

Applicants can influence the first aspect of the process by writing thoughtful essays, working with their recommender to ensure that the recommender submits descriptive letters of reference, and sharing insights from their experiences via an alumni interview.

However, applicants cannot fully control the final outcome since they have neither knowledge of nor influence over the quality and quantity of applicants in the pool within which they are being considered. This is why the best strategy in applying to highly-selective schools should be to focus on the individual application, making it as strong as possible. It will stand out from others because the applicant has communicated very clearly who he or she is; differentiation is a by-product, not a goal, of applicants telling their own story.

Because there is no quantitative formula for admission, we rely on the professional judgment of our admissions committee to evaluate applications in a thoughtful, gentle, and thorough manner. We read each application, looking for as many strengths as possible. There is nothing quite as challenging as the art of human assessment, especially in an admission process where important decisions are made based on limited information.

Businessworld: What are the common weaknesses you see in most applications?

Bolton: One topic that causes concern for most applicants is the essay-writing process. Essays, along with the letters of

reference, are a vital part of the application. While the letters of reference are stories about the applicant told by others, the essays enable the applicants to tell us who they are by articulating what matters to them most and why, as well as how they aspire to realise their potential. We suggest that applicants think of the essays as conversations on paper (each time we read a file, we feel that we 'meet' a person) and tell us their story in a straightforward, sincere way.

The most important piece of advice on the essays is extremely simple: answer the questions – each component of each question. Our additional advice for writing essays is: think a lot and then write. We want to learn about the applicant's values, passions, ideas, experiences, aspirations and how Stanford can help them become a better person. Reflective, insightful essays help us envision the individual behind all of the experiences and accomplishments that we read about elsewhere in the application. Applicants should remember that we are reading the essays taking into account all the information contained in the application.



One of the most good-spirited but misguided pieces of advice an applicant might hear is: "Tell the admissions committee what makes you unique." This often leads applicants to believe that they need to have accomplishments that are unusual or different than their peers' (for instance, traveling to an exotic place or talking about a tragic situation in their lives). But how are they to know which of their experiences are unique when they don't know the backgrounds of the other applicants? What makes a person unique is not that they have had these life-altering experiences, but rather how their perspective has changed or been reinforced as a result of those and other everyday experiences.

Businessworld: Which deadline – the first, second, third or the late round – should a candidate ideally shoot for?

Bolton: The simple and honest answer is that candidates should apply when they are fully confident that they can submit an application that accurately represents their talents and strengths. They are investing a lot of time and money applying to business schools, so they do not want to do anything to disadvantage their candidacy (such as submitting a weak application just to apply in an earlier round). To be the strongest candidate possible, take the time to put together a thoughtful and thorough application, even if it means applying in the final round.

However, we strongly encourage candidates to apply in the first or second round if possible. First, at least two-thirds of the class is typically admitted in these rounds. Second there are advantages to a successful first- or second-round applicant: (1) early notification; (2) the opportunity to meet other admitted candidates during Admit Weekend; (3) the opportunity to register early for on-campus housing, especially at the Schwab Residential Center, which is in high demand; and (4) ample time to plan for the transition to the Stanford GSB – especially in the post 9/11 environment, it is critical that applicants begin the visa application process in a timely manner. There is no advantage with regard to receiving fellowships or loans from the Financial Aid Office.

At the same time, the applicants know best when they are ready to apply. While it is true that fewer people are admitted in the final round than in the first two, we do admit excellent candidates in the third round. A candidate who is not admitted in one year is welcome to re-apply the next year.

Businessworld: What kind of work experience do you value most? What are the opportunities and challenges a prospective student must actively seek? Does Stanford admit candidates without work experience?

"What makes a candidate unique is not his life-altering experiences, but how his perspective has changed as a result of these experiences."

Bolton: We make a concerted effort to attract and admit students from a broad range of professional backgrounds and experiences. Therefore, there are no particular industries or sets of companies that put an applicant at a competitive advantage in the admission process. Although investment banks and management consulting firms are well-represented at Stanford, we also draw students from non-profit organisations, multi-national corporations, family businesses, entrepreneurial ventures, and the public sector.

We are more interested in the impact the applicant has had in the workplace than in the name or stature of the organisation. Has the candidate made the most of her professional opportunities? Is she cultivating her leadership and team skills and making a difference? In the end, applicants who seek opportunities that are truly challenging and rewarding for their own professional and personal growth will be the most attractive candidates for business school. Again, this is a by-product rather than a goal.

We encourage college seniors to consider applying to the MBA programme. We accept entering students with all types of experience as well as students who enroll directly from an under-graduate programme with no full-time work

experience. The interviews are conducted exclusively by Stanford MBA alumni wherever applicants live, study and work. We do conduct interviews throughout India. MBA admissions officers do not conduct interviews.

Businessworld: What would you say is Stanford's USP?

Bolton: At Stanford, we believe that organisational leadership is a noble pursuit. Effective business and social-sector leaders have a greater potential for influence than ever before in history. For applicants whose passion is to lead organisations to impact the world in significant – and meaningful – ways, the Stanford MBA programme is the right place to begin.

True leaders are defined more by action than by title or position. They inspire the people they lead and cause the organisations they serve to perform well. In modern society, managed institutions produce and deliver the vast majority of the world's goods and services. Not limited to the private sector, managed institutions span the non-profit sector, government, and every imaginable area of human endeavour. Those entities influence living standards for individuals and societies throughout the world. That's why effective or-

“We give each applicant a fair review. Think of the essays as conversations on paper. Tell us your story in a straight-forward, sincere way.”

experience. Admission may be granted to college seniors who present superior academic credentials and truly outstanding evidence of leadership through extracurricular and community activities. Full-time work experience is not required for admission.

Businessworld: How important is an interview in the admission process? Do you hold any interviews in India?

Bolton: We offer evaluative interviews with our alumni around the world on an invitation-only basis. The interviews are designed to provide useful information about a candidate that may not be easily captured on paper. They are also a good way for candidates to learn more about the Stanford MBA programme. This does not mean a diminished emphasis on the application essays and letters of recommendation; they remain a critical part of the evaluation process, with interviews as a supplementary information source.

So what happens during the 45-minute interview? The primary questions revolve around behaviours, skills, and attitudes that we believe are key to good citizenship here at the Stanford GSB and high-impact leadership post-MBA. There are no trick questions, but rather ones that ask candidates to reflect on their professional and personal experiences.

The MBA admissions office contacts applicants directly to schedule an interview. The applicant and the alumni in-

terviewer set up a mutually-convenient date and time to meet. The interviews are conducted exclusively by Stanford MBA alumni wherever applicants live, study and work. We do conduct interviews throughout India. MBA admissions officers do not conduct interviews.

Students of management ultimately will have opportunities to lead these enterprises. Students at the Stanford GSB will be well-prepared for that responsibility. Our students learn the general management principles that create an enduring foundation for leadership. They have access to leading scholars who comprise our faculty and are exposed to innovative research that influences management theories and practices.

At Stanford, however, fundamentals are only the beginning. Outstanding leadership skills are learned more by experience and observation than in the classroom, which is why our students have many opportunities to interact with and to learn from some of the most successful business and social-sector leaders in the world.

Stanford MBA students learn about communicating a vision, marshalling great minds around them, and developing strong relationships and relational skills. They collaborate and motivate. Our students learn to approach problems with creativity and disciplined thought. They benefit from the diverse perspectives of colleagues who hail from around the globe. In short, Stanford MBA students learn the art of leadership, as well as its science. ■

The Five-step Guide to Choosing a B-school

POOJHA DARYANANI



AS I began applying to B-schools in the US, I was told that the application process was the most stressful part, and once that was complete – I could sit back and relax. But I soon learned otherwise. Making the final selection of the right school to attend was far more complicated than the application process itself. All the schools had fantastic brochures – and all claimed to have the best faculty, the brightest students and the most challenging learning environment. It was a tough call. I spoke to counsellors, colleagues, friends, professors and family in an attempt to reach the best decision. I learned a lot from those discussions, but now, as I finish my MBA, I have come to realise the importance of other non-traditional factors that applicants often overlook when making their final school selection. I would like to share some of these factors with you.

BEYOND BUSINESS SCHOOL RANKINGS

You should not base your B-school decision solely on the basis of ranking. A top-10 school does not guarantee that it will attract all the best companies. It is more important to be sure of the career you want to pursue after your MBA, and pick a school that is well-known in that field.

There are a number of schools that are not very highly ranked, and yet seem to attract the best companies in select industries. This could be due to a number of reasons: the school might have a very strong academic base in the relevant department, it might have good relations with companies in that industry, or its location might be in the vicinity of the company's operations (for example, if you are interested in banking/consulting you might want to consider a school on the East Coast; for manufacturing, look at the Mid-West; and for Technology, the West Coast). I am not saying that the brand name is not important – I am just raising a red flag so you don't ignore a school simply because it does not get a high rank. It could turn out to be the best choice for the career you want to pursue.

CULTURE MATTERS

Most schools in America have a distinct culture that they are proud of, and are always trying to determine if you will fit into their culture. There are schools that are highly competitive, and then there are schools that are highly collabo-

rative. The school designs everything – right from its grading system to its student interaction – around this culture. You should determine the kind of environment in which you will thrive, and select your school accordingly. The way to learn about a school's culture is not by browsing the website, or analysing the brochure, but instead by talking to current students, faculty, alumni and by visiting the school.

SIZE OF THE SCHOOL

There is something about a small, tight-knit community that has its own charm. For one, everybody knows everybody else, and the learning environment is more conducive. Another advantage of a small class size is that you are able to develop strong relations with your professors, and seek their advice on matters beyond the basic course material.

DIVERSITY OF THE STUDENT BODY

Judging from my experiences in class, I learn almost as much from my classmates, as from my professors. And the more diverse the student body, the steeper the learning curve. By diversity, I don't just mean demographics, I also mean diversity in work experiences and interests. It is interesting to see how professional hockey players apply the same strategy concepts to their game that investment bankers apply to mergers and acquisitions. In order to judge the diversity of the student body at a school, it might be a good idea to preview some of the resumes of current students in that school. (These are usually available on the school's website or on specific request after admission.)

ABILITY TO TAKE CLASSES ACROSS DIFFERENT SCHOOLS

A university runs many different schools – one of which is the B-school. Some schools allow you to take classes across the university: the Law School, the School of Architecture, etc. This is a great opportunity to broaden your horizons, and develop specific skills to target niche recruiters.

The list of factors that I have provided above are not exhaustive – but instead they complement the usual factors that you consider when reviewing a B-school. I hope that you are now better prepared to make your decision. I'd be happy to clarify any further questions – feel free to email me at: poojha.daryanani@yale.edu. ■

Poojha is a second-year student at Yale School of Management

IMD

Life in the Fast Lane

ANSHUL JAIN



HIS programme is not for pedestrians.” This was how the programme director welcomed our class in January 2002. We believed him. All of us had made it to IMD only after going through a rigorous admission process. It was especially tough for those of us who had come for the campus interview. I spent a day at IMD: I was interviewed by a

consultant, asked to participate in a group case-study discussion conducted by an IMD professor, and also told to make an impromptu presentation on a topic given just 30 minutes in advance. Then there were numerous informal discussions with members from the incumbent class. Whew!

Our study rooms (we fondly called them ‘dungeons’) were like homes. My wife used to come over from London during the weekends, and yet family life was constantly under pressure. But there’s no other way to complete a good MBA in one year. There are trade-offs that one must be prepared to make.

Last year was the most exciting and eventful year of my life – nothing that I had read or heard prepared me for the real thing. All of us were taken for outdoor team exercises in the Swiss Alps, factory visits in Switzerland, a European sports tournament in Paris, and a week-long leadership experience in Bosnia & Herzegovina and Slovenia.

‘Rejuvenate the juggernaut brand’ – this was the mission of our MBA programme director Sean Meehan, who

had recently taken office. He redesigned the MBA programme with three themes – leadership, entrepreneurship and dynamic learning networks – running as a common thread throughout.

At IMD, leadership development is aided by a number of one-on-one sessions on personal development with qualified psychiatrists. This module teaches you about leadership and governance in difficult times – we learnt this first-hand on a field trip to the war-torn Bosnia & Herzegovina. The programme also focuses on corporate social responsibility.

The entrepreneurship theme gave a ringside view of the fast-paced world of entrepreneurs and venture capitalists. We got a chance to work with start-ups, which were desperately looking for fresh ideas to survive and grow.

Dynamic learning networks meant creating online communities and bringing people around the world together through discussion forums. My team ran the discussion forum on ‘doing business in the emerging mar-



GLASS HOUSE
IMD's Executive Learning Centre; (above) Anshul with batchmates

kets'. Our responsibility was to canvass and recruit participants/members from the industry as well as to create and maintain the website, research new topics and ideas, and document the knowledge created through discussions. I loved every moment of it.

Our class strength was small: there were only 90 students. The advantage was that we could build better relationships with professors and each other. There were students of 37 nationalities in my class, which provided me with a solid network of classmates from across the world.

The whole experience was memorable in more ways than one. There were the usual snafus you can expect in any new country. Once, in a predominantly French-speaking region, we ended up getting salt in our teacups instead of sugar! Then were those scary moments – driving on the right-hand side was always a challenge.

The total bill for this wonderful experience can range from \$65,000 to \$80,000. But IMD has a number of scholarships and loan programmes designed to fit students

from all backgrounds. I benefited from a fund known as IMD Alumni Loan Fund, which covered tuition fees repayable over a period of three years after completion of the MBA. (In exceptional circumstances, this fund also provides for living expenses.)

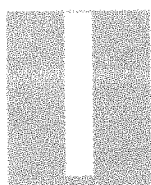
The school has a very helpful attitude towards international students. The MBA office worked hard to help us get our lives in order in and outside the school. Through an online platform at IMD, I got my accommodation even before setting foot in Switzerland!

'Life-long learning' was the theme of our first session at IMD. The year at IMD was only a beginning in that direction, but for me it also marked another beginning – the start of an association with a great institution. ■

Before going to IMD, Anshul Jain was based in Singapore as associate director (corporate services) with CB Richard Ellis. He graduated in November 2002.

How to Foot Your \$100K MBA Bill

T.K. VINEETH



If you thought the cost of an MBA from an Indian B-school is high, consider this: a global MBA can easily set you back by \$100,000 (about Rs 50 lakh)! You will feel the pinch right from step one – when you start applying. The average application fee for a top-tier school is \$175 (Rs 8,500). Other preliminary expenses like GMAT and TOEFL can cost you

another \$310 (about Rs 15,000).

The actual piledriver will of course hit you once you have been accepted. Tuition fees alone can come to \$30,000 per year. Add the living costs abroad – roughly between \$20,000 and \$30,000 per year – to this and you have an idea of the total damage.

Unless you are really rolling in it, start planning right now to meet those killer costs. Simply put, there are three ways to fund your studies. The first preference should be a scholarship that covers the full cost. The best part about scholarships is that they are like free money – you don't have to return the funds.

If you don't get a full scholarship – or a partial one – shoot for the various financial aid schemes offered by schools. Financial aid can be in the form of tuition fee-waivers, exemption from certain fees, assistance in getting bank loans at good rates, etc.

Bank loans should be the fall-back option. Many Indian banks offer up to Rs 15 lakh for studies abroad. Some banks in the US also give loans to international students. If you are studying in Europe, you can try the 'soft' loans. In the UK, there are two schemes on offer for MBA students: the Career Development Loan, and a scheme operated by the Association of MBAs. Both allow students to borrow and cover the cost of tuition, and defer interest until completion of graduation.

Let's run through the available options now:

SCHOLARSHIPS

There are a limited number of scholarships at any B-school. The criteria for handing out these awards also differ. In many schools, you are automatically considered for scholar-

ships when you apply. In others you have to apply separately and that too, some months in advance.

How can you increase chances of getting a scholarship? A 700-plus GMAT score will definitely help. But even if you score over 750, keep in mind that the score is not the only thing colleges take into consideration. Your extracurricular activities – especially those showing leadership skills – play an important role. If the decision goes down to the wire, the candidate with a more impressive list of extra-curricular activities stands a better chance. So make sure that you highlight these activities in the application form.

There are some schools which offer scholarships specifically for international students. Wharton has several international scholarships based on need and merit that are sponsored by corporates and alumni. The Jacobs International Scholarship of Kellogg offers scholarships to two incoming international students every year. No application is necessary for these scholarships – all admitted students are reviewed for these awards. Recipients receive \$7,500 for each of their two years at Kellogg.

Scholarships at Harvard Business School and Stanford GSB are awarded on the basis of need. On the other hand, schools like Wharton offer merit-based scholarships and fellowships as well. Apart from merit, leadership, integrity and service to the community are taken into consideration by the scholarship panels.

The London Business School scholarships cover up to 50% of first-year fees (£10,000). These scholarships are considered at the end of each of the four admission stages. Besides these, there are scholarships from companies like Merrill Lynch (£8,000) and MISYS (£7,500). Outstanding Indian

students can also aim for the British Chevening scholarship programme funded by the Foreign and Commonwealth Office. This covers the full tuition and living expenses.

Everything else being equal, it makes sense to try for the college offering generous scholarship schemes. Kunal Sahgal, Class of 2004, Goizueta Business School, covered 70% of his tuition through a merit-based scholarship. Kunal was accepted by some other schools as well, but none of them offered a scholarship. "What worked to my advantage was my high GMAT score and the fact that Goizueta Business School visited and conducted personal interviews in Mumbai," says Kunal.

AID FROM SCHOOLS

Most B-schools have financial schemes to attract the brightest students. So, if you have a great GMAT score (schools need to increase their GMAT average) or have worked in a 'different' field (you could be an actor, astronaut, soldier, journalist, lawyer, or a doctor) or have an excellent extra-curricular record, then you have a good chance of getting aid. At New York University's Leonard N. Stern School of Business, 20 students are chosen every year purely on merit and awarded full tuition.

While many schools help you get bank loans, a few operate their own loan schemes. The London Business School has a tie-up with HSBC which grants its students tuition and living expenses. Harvard, Stanford, and Wharton have 'foreign-friendly' lender partnership programmes for international students.

INDIAN BANK LOANS

Many Indian banks offer loans up to Rs 15 lakh to pursue studies abroad. While most private banks offer loans up to Rs 10 lakh, the State Bank of India offers a maximum of Rs 15 lakh.

However, even this is a paltry amount compared to the high costs of studies abroad.

Loans from Indian banks can only cover a small part the overall cost. Another drawback is the high interest rates in India – loan rates are much lower in the US. So it makes sense to first see how much you can borrow abroad and then try to arrange the rest from Indian banks.

FOREIGN LOANS

The better B-schools have programmes that help you get loans from US banks without a co-signor (basically the person who takes the rap if you default). Many schools have working tie-ups with banks and institutions and offer loans at attractive interest rates and with relaxed repayment schedules. The loans cover tuition fees and living expenses for the duration of the course.

In the absence of such a programme, you need a US citizen or a permanent resident to act as co-signor. Some

banks also ask you to show liquid assets (in the US or in India) before lending you an equivalent amount.

A majority of students take the loans facilitated by schools. In most top schools, all students who have secured admission are guaranteed some kind of financial aid. After graduation, they usually get a six-month grace period before the repayments start.

Banks like Bank of America and Citibank offer loans repayable in 15, 20 or 25 years. The typical interest rates are 1% or 2% more than the prime rate (in 2002, the average prime rate was 4.75%). If you have been in the US for a while and have a decent credit history, you may be offered lower interest rates. So one of the first things you should do after landing in the US is to get a credit card (and use it for all transactions so that you can build up a good credit history).

THE 'OTHER' LOANS

My Rich Uncle (www.myrichuncle.com) is a US-based company that connects students with a network of investors who are willing to bet on them based on future income. Over a period of 10-15 years after graduation, the student will have to pay the investors between 0.1 and 0.4% of his gross annual salary (depending on the amount borrowed).

Unlike traditional student loans, the money borrowed doesn't have a principal or interest component. And even if you haven't paid-off the debt on time, you aren't penalised.

But there's a catch – MRU charge: 2.5% of the borrowed amount as 'service fee'. Also remember that you have to pay even if you're out of work. A temporary adjustment is possible though (with a late fee charge).

TEACHING ASSISTANTSHIPS

MBA courses are extremely time-intensive. The average workday demands 15 hours of your time. Therefore, holding on to a part-time job can be difficult unless

you are a 'staminac'. It's easier to make some money in the second year because you are eligible for teaching assistantships, which can net you anything between \$2,500 and \$4,000 per semester.

GET YOURSELF A SPONSOR

Some employers may be willing to sponsor your MBA. This isn't a bad idea in times when the economy is tanking. The trade-off is that the company will probably want you to work for it (normally three to five years) after completing the degree.

Go through all these options before zeroing-in on your choice(s) of funding. You may need to tap more than one source to optimise the costs. In a bad economy, the payback period on your investment can be quite long: it's worth going the extra mile to cut bills. ■



essential
GEAR

Packing Kit

Informals went out with the dotcom bust. Carry formal wear with you

Okay, we don't need to tell you to carry snaps of your folks back home, do we?

Ethnic wear for functions where your Japanese classmate turns up in a kimono

You may need your old degrees and marksheets any time

Books are way cheaper in India. Make room for them



Don't leave home without one!

Stationery is less pricey in India

Where are you going to put it all in?

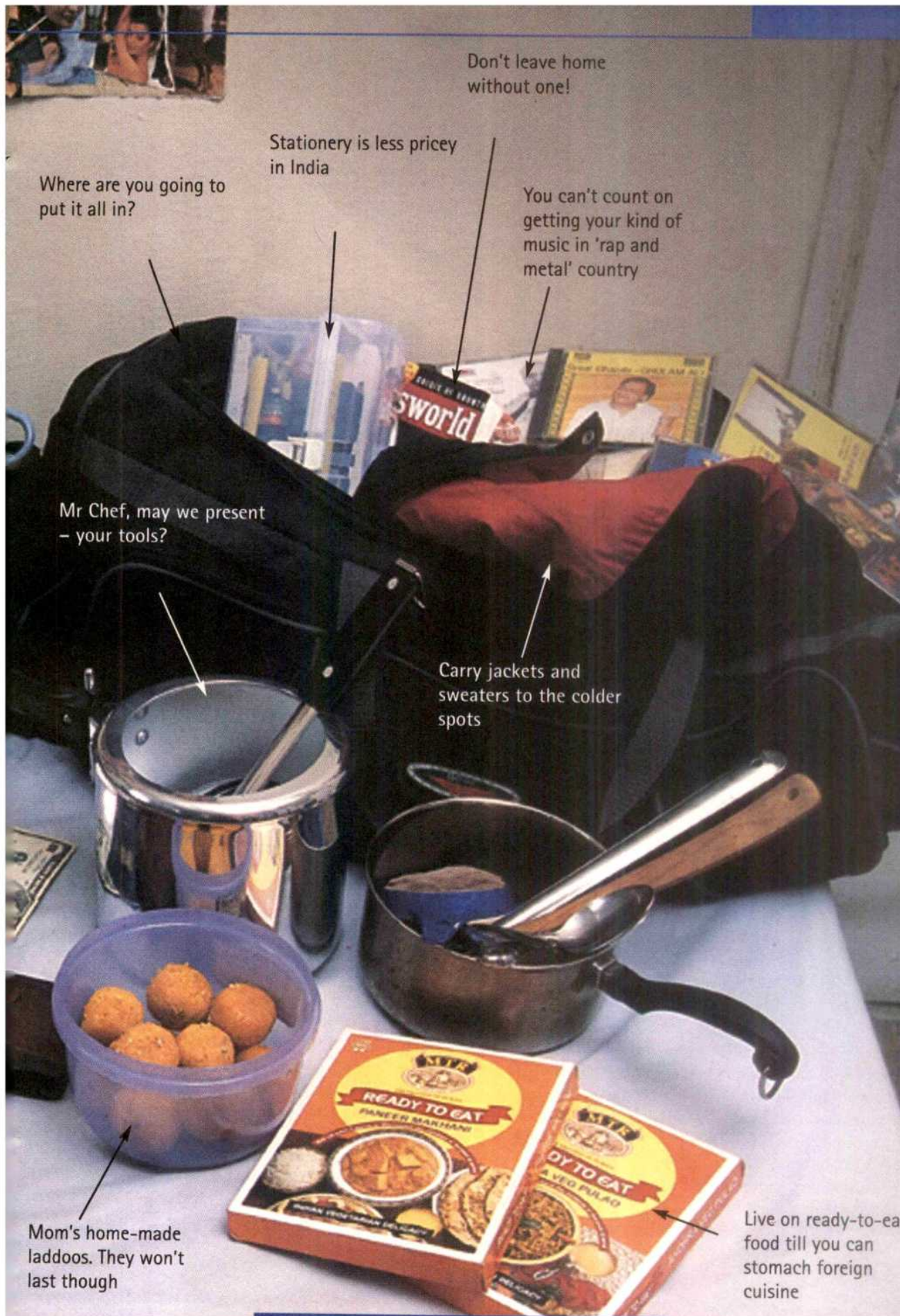
You can't count on getting your kind of music in 'rap and metal' country

Mr Chef, may we present - your tools?

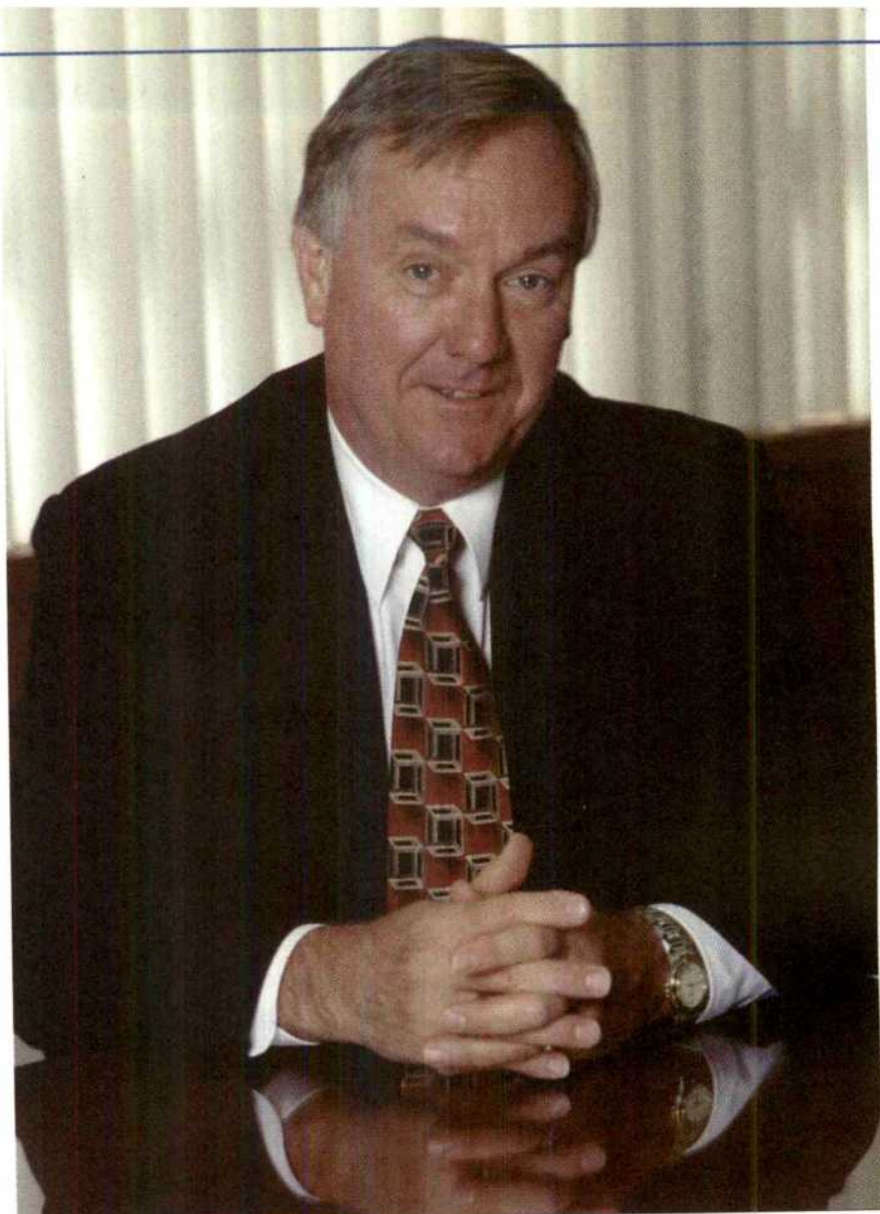
Carry jackets and sweaters to the colder spots

Mom's home-made laddoos. They won't last though

Live on ready-to-eat food till you can stomach foreign cuisine



Marshall focusses on a core set of skills and on strengthening its position as a global centre of business education and research. Its faculty members are widely-recognised for their excellence in teaching, prolific publication in major academic journals, and frequent citation of their work by fellow scholars. An interview with the vice-dean of graduate programmes, Dennis Draper



Q Do you believe Indian students have a unique perspective to offer? How is it different from that of the students from other developing countries?

Draper: Given the global economy, the USC Marshall School believes that attracting an entering class of MBA students with a broad diversity of interests, abilities, and backgrounds adds important elements to the educational content for every student. With that in mind, we have found the contributions from our Indian students to be of high quality and feel strongly that their educational excellence, focus and professional objectives, and their cultural experience have added greatly to the Marshall community.

Businessworld: Every school wants students who share its 'core' values. What are the core values of USC Marshall?

Draper: In its collective MBA community, Marshall values a high capacity to learn, the drive to succeed, and the willingness to share with and support other members of the Marshall community. We emphasise the importance of teamwork and stress the value of this in both our classroom experience and to learning in general. Business management is a discipline that, among other skills, aids individuals in identifying opportunities in the market place; it fosters a skill-set that enables our participants to develop strategies that maximise value creation given these opportunities. Throughout the two-year experience, these activities are conducted with a value on ethics and ethical behaviour.

Businessworld: Most schools want to offer a 'global' programme. To your mind, what is it that makes your programme truly global?

Draper: The Marshall community is truly a global one –

beginning with the various students and faculty who come from around the world to study at Marshall, to the international dimensions of the curriculum, and continuing through the international travel and education required of all matriculating students. PRIME, our required international course that includes an international travel component, is the epitome of the high priority we place on giving Marshall students a global experience.

Businessworld: Of late, there is a question mark over the relevance of an MBA programme. Do you feel there are certain areas in the programme that need change? Is your school modifying its own programme to specifically answer such criticism?

Draper: There will always be value to a graduate degree in business. We provide students with a comprehensive and rigorous study of business at a point in their lives when they have been exposed to the world of business and are ready to come back for more in-depth knowledge. They are ambitious and ready to take the next step in their careers, but know that their knowledge base needs to be expanded. Marshall is proud of its long tradition of excellence and continues to modify its programmes to meet the changing demands of business. At the same time, we continue to stress the importance of business fundamentals.

Businessworld: Are the GMAT scores, GPA, essays, resumes and recos given equal weightage for admissions?

Draper: All of these are important components of the admission process.

Businessworld: Would you recommend that candidates consider the rankings brought out by publications like *Businessweek* and *WSJ* before deciding on a school?

Draper: Rankings are one of a number of sources of information for prospective students. While each publication that provides a ranking of programmes has its own particular focus, students must consider what information the ranking is attempting to supply and how (the methodology, in particular) the ranking/survey was implemented. I would caution that rankings should never supersede the student's own analysis of the programme content and how both the programme and the school fit with his or her individual objectives.

Businessworld: What is the kind of work experience you value most? What are the opportunities and challenges a prospective student must actively seek?

Draper: Most prospective MBA students apply to business programmes with four to five years work experience. We encourage this practice as it provides the student with a strong business background on which to base a graduate

"We Lay Stress on The Fundamentals"

Businessworld: How can an Indian student, who already has an MBA degree from a premier institute in India, benefit from your programme?

Draper: We know from the successes of many of our Indian students who have come to us post-MBA from high-quality institutions in India that the Marshall MBA is a powerful complement to their prior education.

Businessworld: What, to your mind, is the most important factor that attracts an Indian student to your school?

Draper: The reasons to apply to Marshall are the same for any prospective student – to build a strong knowledge of business, grounded in the fundamentals; to be part of a dynamic and rigorous educational community; to join the network of the Trojan Family; and to study in Los Angeles, gateway to the Pacific Rim. Marshall is training the business leaders of tomorrow from around the world. Anyone wishing to be a part of this should apply to Marshall.

business education. This can provide the most added value for the student. In reviewing the student's prior work experience, we look for signs of leadership, accomplishment, and focus. We are interested in whether the student's work experience suggests that this is the 'right time' to come to Marshall and whether this is the 'best fit'.

Businessworld: The feedback from many Indian students is that last year was very bad for international students in most B-schools. Is it possible that the shape of the economy is influencing recruiters in some way and that they are – consciously or unconsciously – discriminating against students from certain countries? If yes, how is your school addressing the issue?

Draper: We were very pleased with the level of quality international applicants who showed interest in Marshall over the last few years and look forward to attracting even more interest from international students. ■

"We Offer Greater Variet

Q Most schools send out a strong message that only students who share their core values stand any chance of getting admission. What are Columbia Business School's core values?

Masri: Columbia Business School's core values centre on leadership, social responsibility and ethics. It is collaborative, yet competitive. We are looking for interesting, intelligent and multi-dimensional students who will add to the vibrant culture at the Columbia Business School.

Businessworld: Is there any part of the application – essays, recos, resumes or GMAT scores, etc – that is given more weightage while evaluating international students?

Masri: No, everything is weighed equally as we are looking at the whole applicant. But those who speak English as a second language need to take the TOEFL to make sure they have the requisite listening and speaking skills to excel here.

Businessworld: If you were to generalise, what would you say are the weaknesses and strengths of applicants that come from India?

Masri: We have generally found that any student who comes from that far tends to be highly focused, committed and ambitious.

Businessworld: Which deadline – first, second, third, or the late round – should an international student ideally shoot for?

Masri: Our special deadline for applications from in-



"Indian students are focussed, ambitious and committed. We are looking for intelligent and interesting students who can add to our school's vibrant culture."

nd Selection"

Columbia University was founded in 1754 as King's College by the royal charter of King George II of England. It is the oldest institution of higher learning in the state of New York, and the fifth oldest in the US. The Columbia Business School is the only Ivy League school in NY. An interview with vice-dean Safwan Masri

ternational students is 1 March. The school also has rolling admissions – we encourage every student to send in their applications as early as possible since we are admitting people as they apply. If applicants wait until the final deadline, there will be fewer spots available.

Businessworld: What kind of work experience do you value most? What are the opportunities and challenges a prospective student must actively seek in your school? Does Columbia admit candidates without work experience?

Masri: There is no one job or industry to work in to ensure admission. Columbia Business School students represent a diverse array of fields – from investment banking to non-profit management to marketing.

We pay very close attention to each applicant's professional accomplishments as well as to his or her professional ambitions. The admissions committee seeks applicants who have developed a strong foundation and/or essential skills for their future professional goals.

A vast majority of students admitted to our MBA programme have work experience, although each year a few students enter without any post-undergraduate work experience.

Businessworld: How important is an interview in the admission process? Do you also hold interviews in India?

Masri: Interviews are not required for admission to the Columbia Business School, although some prospective students may be asked to participate in evaluative interviews. Conducted by the alumni and current students who are members of Project Interview, these are offered around the globe every year.

Once the Admissions Office receives a complete application, a prospective student may be invited for the interview. These are by invitations only and cannot be requested.

Please bear in mind that interviews are not required – many applicants who do not receive invitations are admitted, and, also, many of those interviewed are denied admission.

Businessworld: What would you say is the most compelling reason for international applicants to join Columbia?

Masri: It's the same for both national and international students: the superior education; the international composition of our students, faculty and curriculum; an opportunity to experience the living laboratory of New York City; and the influential international alumni base.

Businessworld: Would you recommend that candidates look at the rankings brought out by publications like *BusinessWeek* and the *WSJ* before deciding on a B-school?

Masri: No, I recommend that they look more in-depth at the schools and at the different programmes. Try to understand what the culture and the school are about to achieve the best fit. The characteristics that make a school No. 1 for one person are very different for another.

Businessworld: How can an Indian student, who has already got an MBA from a premier Indian B-school, benefit from your two-year full-time MBA programme?

Masri: It really depends upon what the person is looking for professionally, his or her previous experience, etc.

Businessworld: Most schools offer a 'global' general management programme. What, in your opinion, makes Columbia's programme truly global?

Masri: Our curriculum, the faculty, student body, and Columbia's location in New York City. All these contribute to the school's global perspective.

Businessworld: What is the most important thing in the school's curriculum that every international student must know about?

Masri: Applicants should know that they will find Columbia Business School's curriculum to be international, innovative and with a greater variety and selection than other business schools. ■

Surviving the MBA Boot Camp

STUDYING abroad is not just about being in another country, interacting with new people and listening to world-renowned professors. That's just the fun part. What about learning to drive on the wrong (or 'right') side of the road in the US? Or paying a bomb for a haircut? How do you sidestep the cultural and social minefields in an alien land?

You learn from people who have been there before you. We bring you the personal survival guides of those who have 'been there, done that'.

THINGS TO REMEMBER

Get an international driving license before you come. Get an international credit card as well – it will help you enormously till you build a credit history in the foreign country. Make sure that you can pay your monthly credit card bills in India while you are here.

Jayant Vohra (McCombs School of Business, University of Texas at Austin, Class of 2004)

Initially the experience can be a little unnerving. Come down for the programme early so that you get used to the place before classes start.

Akther Javid (Judge Institute of Management Studies, University of Cambridge, Class of 2002/2003)

Prepare yourself mentally to spend time on things other than studies. This is the time to enlarge your network."

Sanjay Nandi (London Business School, Class of 2003)

Take part in extra-curricular activities. Do your reading before class. Work hard, party harder. Do not neglect your wife and children if they are with you.

Nishant Jalan (McGill University, Class of 2004)

Check with school about the health insurance system, which is very important. Plan your journey well in advance. If you want to take lots of luggage, book the coaches/trains in advance.

Ajith Sukumaran (Judge Institute of Management Studies, University of Cambridge, Class of 2002/2003)

DON THE CHEF'S CAP

Learn basic cooking. Indian restaurants are very expensive – you can inch towards bankruptcy!

Raghavan Santhanam (Goizueta Business School, Emory University, Class of 2003)

Class of 2003)

Find at least one Indian grocery store and one Indian restaurant for 'emergencies'.

Nishant Jalan (McGill University, Class of 2004)

WORK THE SOCIAL CIRCUIT

Don't stick with your community. Respect the social do's and don'ts of other cultures. While there are social differences, there are also similarities. Keep these factors in mind, and be prepared to make some good friends.

Mallika Das (Asian Institute of Management, Manila, Class of 2004)

Correspond with current students at the school(s) you plan to join – they can provide invaluable advice on life in the city/town and other things you need to consider.

Jayant Vohra (McCombs School of Business, University of Texas at Austin, Class of 2004)

Keep an open mind. Studying in a cross-cultural environment requires you to be humble enough to learn and understand different cultural issues, languages, etiquette, etc.

Rashish Pandey (Asian Institute of Management, Manila, Class of 2004)

Network with American students. Be proactive and build solid relationships with them. Do not think that Indians are smart. They are, but when you are in a foreign country, you have to put in more effort to win. Indian students tend to be too grade-focussed and miss out on networking. And don't talk in Hindi!

Viswanathan Padmanabhan (Goizueta Business School, Emory University, Class of 2004)

Try and socialise as much as you can – it's a great place to build contacts and network. The more you socialise, the sooner you'll integrate into the programme.

Akther Javid (Judge Institute of Management Studies, University

of Cambridge, Class of 2002/2003)

Network, network, network. Make a few good friends and a lot of acquaintances. Make some Chinese friends for sure – these people know everything about the procedure and how to go around it. They are very helpful in getting old notes, books, etc.

Nishant Jalan (McGill University, Class of 2004)

THE VALUE OF THRIFT

Plan your finances very carefully. You could easily overspend here.

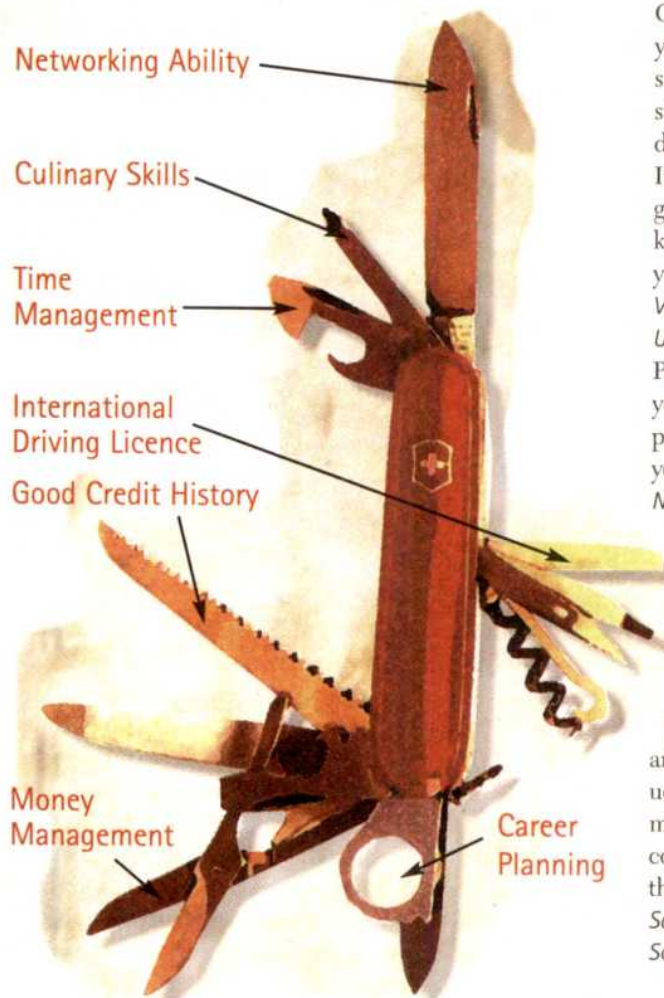
Mallika Das (Asian Institute of Management, Manila, Class of 2004)

If you need to see a dentist or doctor, do it in India! Doctors here very expensive – you have to pay additional insurance premia if you want dental coverage. Also, get your haircut done in India a day before your flight.

Jayant Vohra (McCombs School of Business, University of Texas at Austin, Class of 2004)

House rent can be saved if you start looking well in advance. Do not wait for school to start. Read newspapers and cut coupons for groceries. Buy a second-hand car and furniture.

Raghavan Santhanam (Goizueta Business School, Emory University, Class of 2003)



While living in the US, students can usually get on-campus jobs or teaching assistantships that help pay off part of the living expenses. The extent to which you spend depends on your lifestyle – the outgo can range from \$700 to \$2,000 per month.

Amit Vedwa (McCombs School of Business, University of Texas at Austin, Class of 2004)

CLIMB THE LEARNING CURVE

The teaching methodology in foreign B-schools is different from the traditional end-of-the-term-exam method that we are exposed to. A lot of weightage is given to case discussions in class and team-based assignments. It's very important to have strong communication skills.

Rashish Pandey (Asian Institute of Management, Manila, Class of 2004)

Asian students are brighter and smarter than most Americans. But we lose out on time-management. There is so much to do – you can't possibly do everything, so you have to choose. But for Indians, it is difficult to let go and leave something out. This is the most challenging part of a foreign MBA – letting go and choosing among multiple tasks.

Kunal Sahgal (Goizueta Business School, Emory University, Class of 2004)

Come with a plan. Plan 'A' is your dream job, plan 'B' what you would love and have the skills to do, while plan 'C' is something you won't mind doing. The day you come in, start building networks for each of these target plans. Indians don't take this advice too seriously and regret it later. It's not like the IIMs, where jobs come to you. You have to go to the jobs. As they say here, 'It's not about who you know or about what you know. It's about who knows what you know'.

Viswanathan Padmanabhan (Goizueta Business School, Emory University, Class of 2004)

Participate in class discussions. Be yourself. Do not forget your roots, you are also representing your country in the programme and the impression you give is the impression your classmates will get about Indians.

Nishant Jalan (McGill University, Canada, Class of 2004)

One important survival tip would be preparing well in advance for B-school. This means pre-course readings of topics (economics, accounting and finance), learning computer skills (spreadsheets, Word, PowerPoint).

Ajith Sukumaran (Judge Institute of Management Studies, University of Cambridge, Class of 2002/2003)

Junk the notion that Americans have lower IQs than Indians. We have good quantitative skills, but the American education system has higher exposure to economics and they make up for lower quant skills in other areas. When it comes to getting a job, they get obvious preference – something that we don't consider while coming to the US.

Sachin Dixit (University of Rochester, William E. Simon Graduate School of Business Administration, Class of 2003). ■

USC Marshall Rolling out the Red Carpet



GAUTAM TALWAR & SRILATA RAO

On 23 July 2002, four students from the international MBA programme (IBEAR) of the Marshall School of Business, University of Southern California (USC), walked into the offices of Nacional Financiera (NAFIN) in Mexico City to present a plan to ramp up business activity in Mexico's poor communities. The presentation was made before

the administration of Mexican president Vicente Fox and top-ranking officials of NAFIN, the Mexican development bank.

This is just one example of the kind of international projects you get to work on at Marshall. Global exposure is part of Marshall's philosophy and is reflected not just in the diverse international student body but also in the worldwide student exchange programmes – and of course PRIME.

The PRIME program – a graduation requirement for every Marshall student – trains us for the global marketplace. The idea is to build our understanding of economic, institutional, and cultural issues in Latin America and Asia. The best part of the course is research/consulting assign-

ments in foreign countries including Japan, China, Hong Kong, Mexico and Cuba.

Indian students are doing their best to introduce Marshall to the business scenario in India as well. There is a forum that provides networking opportunities with prominent Indian business leaders both in the US and in India. Last year, MBA student Bhaskar Dani put India on the radar of the entire USC community when he founded the India Business Club.

Indians have finally arrived at Marshall. And the school is only too happy to roll out the red carpet. Three years back there were only about five incoming Indian students – in 2002 there were 20. According to associate-dean of



(Left) **LEAVEY LIBRARY** The library serves as a gateway to information services and resources for the entire campus; (top) **THE COURTYARD** Sumeet Ahuja, a former Silicon Valley techie, gets some work done in Marshall's signature Popovich Hall courtyard; (right) **THE AUTHORS** Gautam Talwar and Srilata Rao



and the availability of financial aid in the form of scholarships and loans. Of course, our strategic location in a business centre and trend-setting city like Los Angeles is also a significant advantage."

Its prime location accounts for a large slice of Marshall's appeal. Southern California is smack in the centre of hi-tech, biotechnology and media clusters. An MBA from Marshall offers a gateway to these attractive emerging industries along with an opportunity to interact with and learn from the people who symbolise them. For example, some time back, USC's top-ranked Grief Center of Entrepreneurial Studies honoured George Rathmann, the founding father of the biotech industry and co-founder of Amgen. The event gave us an opportunity to meet him and learn from him.

The Career Resource Center at Marshall runs the 'Distinguished Speaker' series that provides students with the opportunity to interact with business luminaries such as Jack Welch, former CEO of GE, Michael Eisner, CEO of Walt Disney, and John Chambers of Cisco.

But then California isn't known just for its corporate stars. Marshall has a strong Hollywood connection – of sorts. According to *US News* daily, USC houses the No. 1

Marshall MBA programme Carl Voigt: "Indians bring in fine academic training, exceptional professional experience, high confidence and a sense of aggression and ambition that prepare them for the rigour of an MBA programme and their future career in the US. Furthermore, they assimilate well with the diverse student body and are always looking to make a valuable contribution in class."

The school values fresh ideas and initiatives from all its students. When Rakesh Kumar, a former TV producer, mooted the idea of making a promotional film about the PRIME program, Dean Voigt was quick to give him the go-ahead – and the resources. Rakesh's team obtained the necessary footage and did the voice-overs and editing inhouse. The result was a slick six-minute presentation that will soon be on our website.

Don't expect to meet only the usual corporate types and techies here. USC has recruited Indian students with backgrounds in medical sciences, architecture, law and television production. They are selected for their unique perspective and potential for career growth.

"Marshall has certainly been attracting a competitive pool of applicants from India," says Keith Vaughn, director of admissions. "That's partly because of improved ranking

entertainment programme in the US. Being a part of the USC network gives us plenty of occasions to experience the productions and seminars organised by the prestigious USC School of Cinema Television, USC Thornton School of Music, and USC Annenberg School of Communication. Marshall MBA students have the opportunity to take courses in these schools, learn from the experts in the industry and also graduate with dual specialisation.

But hey, half the fun of studying at a global B-school like Marshall is in making yourself at home in the social, academic and professional environment. Several of us hold offices in the various academic clubs and student administrative bodies at Marshall. "They (Indian students) adapt quickly to our team culture," says Vaughn.

"Through my two years at business school here at USC, I have come to feel appreciated and needed in this extremely diverse programme. It is a healthy mix of chaos and excitement," says Anil Thozhur, a second-year MBA student. Anil, a jazz pianist and formerly a research consultant with Sofres Research, recently completed a project for the Marshall Alumni Association aimed at improving the interface between current students and the alumni.

But how do Indians blend in so naturally at USC? "Los

campus REPORT

Angeles provides a great cosmopolitan environment, and the transition is easy for the Asian students," says Manish Nayar, a first year student who has worked at ICICI and Mphasis. Marshall creates a home away from home through the international mixers, Thanksgiving dinners, career workshops and receptions specially aimed at the international community. Add to it the great weather and you have perfect combo for a great experience.

On a typical day at Marshall, you can catch some of us in school as early as 7:00 am sipping Starbucks coffee in the café and watching CNN on laptops hooked up to the wireless network. Apart from classes, a typical day's schedule is filled with club events, business speaker series, recruiting company receptions, networking events, team meetings, or even coffee with the Dean for an informal celebration.

The MBA programme is housed in Popovich Hall that offers students one of the most technologically sophisticated educational facilities in the world: case rooms with audio-video teleconferencing, wireless networking, experiential learning classrooms, a modern career resource centre and a cyber food café. There is a fully wired-up courtyard with canopied tables next to the Hall. The Thursday Mixers are held in the lush lawns behind the courtyard.

Bang opposite the Popovich Hall are a student-run radio station and the Alumni House, which is also the oldest building on the campus. Go to the back and you will walk into 'Ground Zero' café – a place for live student band performances and speaker events.

Interested? There's more. Given the school's desire to increase its Indian student body, Marshall representatives have made trips to India twice last year. They will now conduct in-person interviews for MBA admissions in India.

In the words of Harvey McKay, networking guru and best-selling author of *Dig Your Well Before You Get Thirsty*: "I don't know if they took a blood oath to help, hire, mentor and generally take care of each other but (at USC) they act as if they did. From the day you graduate the USC network is there for you and in turn, you as a graduate are expected to be



SEAT OF LEARNING A view of Popovich Hall, where the Marshall MBA programme is housed

there for the other USC alumni. In my opinion the USC alumni network is the highest, most-effective and most-closed to non-initiates of any alumni network in the country."

Maybe that's why Indian students graduating from USC continue to plug into the network so regularly. ■

Gautam and Srilata are management students at Marshall.

“Be kind to the people writing recos for you, and give them at least a month. A lot of them are busy people – or should be ;) – and will appreciate your concern for their time. Choose those whom you have worked with and who have professional experience – managers, supervisors, etc. If you have changed jobs, get recos from your previous as well as current employer.”

Jayant Vohra, McCombs School of Business, Class of 2004

Action in the First Week



WHETHER it's an orientation programme sponsored by Enron or a skydiving session, you can bet the introduction to your MBA is going to be memorable. Here's what students from across the globe told us about their first few days at a global B-school.

During our orientation, one of my batchmates was talking to a pretty Filipino girl when I joined the conversation. I made some remarks in Hindi to my friend to the effect that: "Hey she looks interested, why don't you ask her out." As it turned out, she was not a Filipino but a

of us to practise and apply these values through the skydiving experience.

Kunal Sahgal – Emory University, Goizueta Business School, Class of 2004

THE system of evaluation here is based on the 'case method'. So there is high weightage given to class participation. This is very different from the evaluation systems we have been used to. I needed to get used to such a system. It was also fun getting to know students from various countries and interacting with them.

Srinivasan Govindarajan – Asian Institute of Management, Class of 2004

IN hindsight it was ironic, because our orientation was sponsored by Enron. We all received 'Enron careers T-shirts and other toys, which are now collector's items!

Sanjay Nandi – London Business School, Class of 2003

Bhutanese who had studied in India for 15 years and was very well conversant with Hindi. You could imagine our embarrassment when she replied in Hindi!!!

Rashish Pandey – Asian Institute of Management, Class of 2004

THE most interesting experience of the orientation programme, for me personally, was skydiving. We had a month-long international orientation programme and then a two-week MBA orientation programme. Both were amazing, but as part of the MBA orientation, we had the option to skydive with the rest of the class! More than 120 (out of 170) of us signed up to skydive. Needless to say, it was the best 30 minutes of my life. Two of the core values of our school are 'courage' and 'rigour' and they wanted each

ONE of our professors made us draw a picture of what we were feeling at that particular time and asked us to use five adjectives which described our mental state.

It was then that most of us realised that we were not alone in our fears and everyone else was going through the same feelings. It was a real relief and a major bonding experience for all of us.

Akther Javid – University of Cambridge, Judge Institute of Management, Class of 2003

Iwould say the best experience during the orientation was the two-day camp near the school. We lived in cabins (the cabins were made of old railway wagons and every time somebody in a bed moved the whole cabin would squeak). The best part was the group-building exercise. In one of the exercises we had to go around blindfolded and make a shape with the help of some boxes. In another, we played 'Whose line is it anyway'. At night we gathered around a camp-fire and sang and danced. And had marshmallows, of course.

Nishant Jalan – McGill University, Class of 2004



"At GSB, your dreams are Plans, Not Fantasies"



GSB is known primarily for its finance concentration. Do you believe such a perception needs to be changed?

Snyder: It is true that Chicago GSB is clearly a world-leader in finance education. But it is equally true that we are

among the very best schools providing students with a general management education, with expertise in many disciplines. In addition to finance, our strengths include accounting, economics, marketing, entrepreneurship, strategic management, international business and more. Not only do we have leading scholars teaching in these areas, we also have a long list of successful graduates working in them. Today, when people talk about Chicago GSB, they consider us an excellent general management school that is also a world leader in finance education.

Businessworld: What would you say is the most compelling reason for international students to join Chicago GSB?

Snyder: Our message is the same for any prospective student, whether from the US or abroad. On your most critical days – in the middle of a crisis, when opportunities abound, when the stakes are the highest – that is when you will be glad you have the power of a Chicago GSB education behind you. What is the Chicago GSB difference? We learn in an intense, exhilarating climate of discussion and debate which is unmatched anywhere. This environment pushes each of us to stretch, develop, and to not rest on our laurels, Nobel or otherwise. By the way, this is the same reason why any prospective student, whether from the US or India, should consider Chicago. We share in an environment of challenge and opportunity: the best faculty in the world, a global network of successful alumni, and a set of corporate alliances that span industries, functions, and geography. To prospective MBA students, I want to emphasise that a GSB education is not just about the next job; it is about your life's work. Supporting students' professional development throughout their career and beyond is a schoolwide priority.

Businessworld: Your school is No. 2 in the latest *BusinessWeek* ranking. What would you say is the reason for the strong showing?

Chicago GSB's faculty is famous for producing theories that change business practice. It proudly claims six Nobel laureates among its faculty and alumni – probably more than any other business school. An interview with dean Edward A. Snyder

Snyder: In this challenging world economy with a multiplicity of risks, businesses from many quarters are turning to Chicago GSB. Is it all part of a return to traditional values? In part, yes. My colleague, deputy-dean Ann McGill, says the proposition that "to succeed, one really does need to know something" is enjoying renewed appreciation today. Indeed, the GSB is getting much attention now because business leaders need new knowledge and newer insights. Our century-long track record of providing just that has established the GSB as the authority on capitalism. People are confident about investing their time, money and efforts in our programmes. People believe in the Chicago ap-

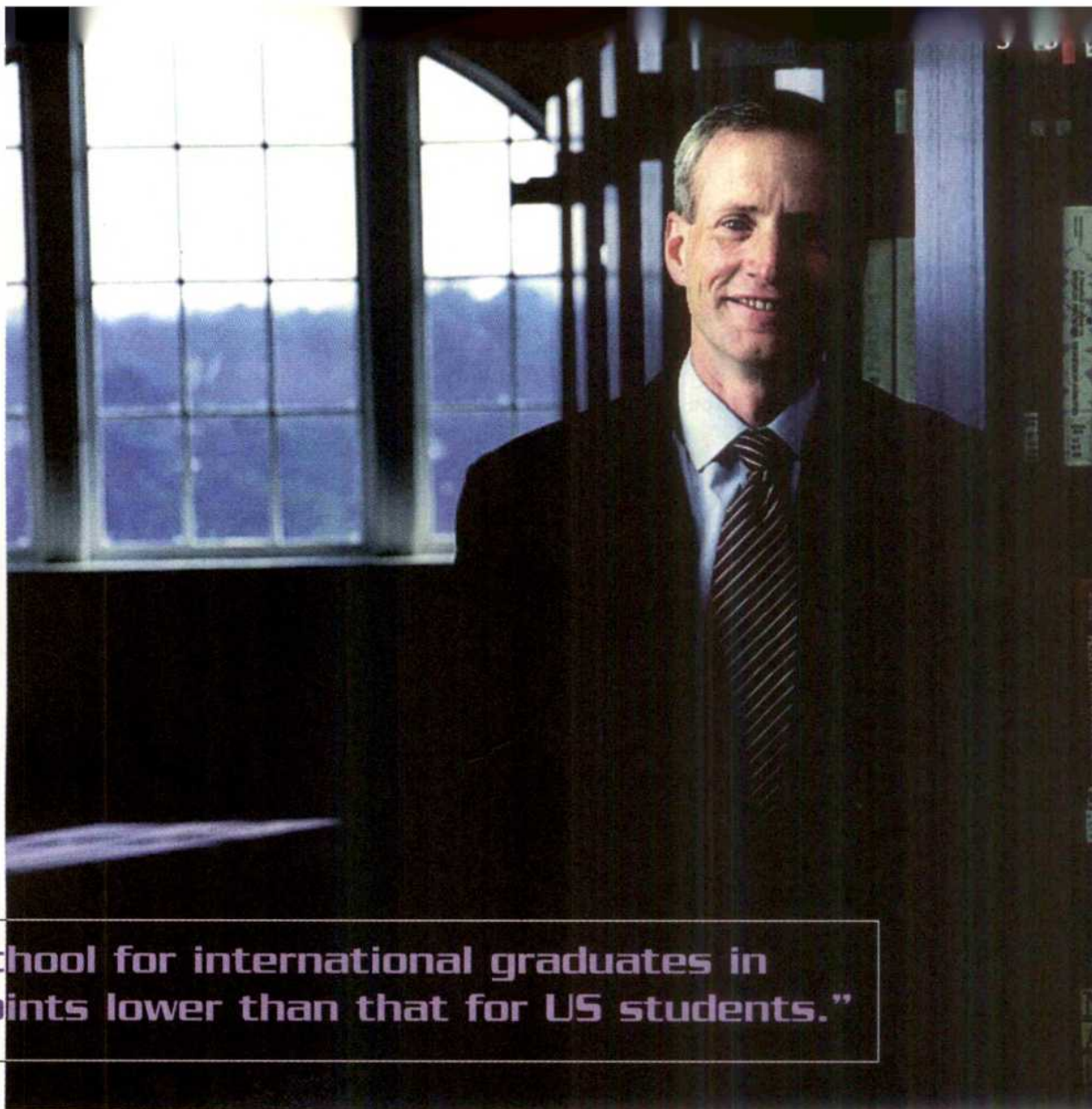
"The job placement rate of our 2002 was only a few percentag

proach to management education. What is the Chicago approach? Kevin Murphy, a member of our faculty, cites four key elements: 1) Discipline-based knowledge is a powerful tool for understanding how organisations function and how markets work; 2) Empirical evidence is important for building discipline-based knowledge; 3) Good decisions follow from good analysis; and 4) Good business practices follow from good fundamental principles, not the latest fads.

Businessworld: How do you plan to attract more students from India?

Snyder: We host admissions receptions in Delhi and Mumbai for prospective students. Our alumni club in India helps us identify and recruit prospective students. We welcome students from India, and I want to take this opportunity to personally encourage anyone who is interested in our MBA programme to complete an application.

Businessworld: What do you think are the strengths, or weaknesses, of applicants from India?



school for international graduates in points lower than that for US students.”

Snyder: Applicants from India are generally well qualified and do very well in our MBA programme. Most of them have strong academic, professional and personal qualities. During 2002, India provided us with the second largest number of non-US applications. China was No. 1.

Businessworld: How important is an interview in the admission process? Do you conduct any interviews in India?

Snyder: It is extremely important and we strongly recommend that all applicants submit to an interview. For those who cannot come to Chicago for an interview, we've made arrangements in India. We also arrange telephone interviews.

Businessworld: The feedback from many students is that last year was very poor for international students in most B-schools. Is it possible that the shape of the economy and other events are influencing recruiters and that they are – consciously or unconsciously – discriminating

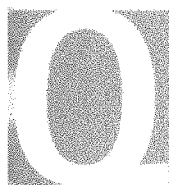
against applicants from certain countries?

Snyder: While it is true that last year was a challenging year for MBA graduates, Chicago GSB students were fortunate to have accepted positions in a variety of jobs in the US and elsewhere. The job placement rate for international students in our graduating class of 2002 was only a few percentage points lower than that for US students. The difference was not statistically significant.

Businessworld: And, finally, what is the message you would like to send out to Indian applicants?

Snyder: We value the individual, and actively cultivate a community with diverse experiences, backgrounds, perspectives and goals. At the GSB, dreams are plans, not fantasies. You plan your life's work with the highest aspiration in mind. You will be prepared to execute these plans and to lead, create, and transform business in any setting. ■

"Our Brand Recognition Is like Gold"



Do you believe the distinction between Ivy League and non-Ivy League schools is still relevant? If yes, how?

Garten: An Ivy League brand telegraphs a standard for excellence that is widely recognised within the higher education

arena. At Yale's business school, our brand recognition is like gold. It helps attract the best and brightest students, recruit faculty stars, and also conveys to recruiters the exceptional employability of our graduates who are known to take leadership positions worldwide.

Businessworld: Some people are questioning the relevance of an MBA programme once again. Do you think some areas in the programme need change? Is your school modifying the programme to specifically answer such criticism?

Garten: As I say in my new book, *The Politics of Fortune*, the world after 11 September 2001 and Enron scandals requires that management education needs to be re-examined. Future executives will not only need to be technically-competent, but will also require a knowledge of government – how it works, and how to work in partnership with it. They must also know more about international organisations and NGOs. They should keenly appreciate and understand many aspects of global business: how to operate in a world of multiple jurisdictions with different political and legal systems and a multitude of cultures and customer preferences; the possibilities for, and the limitations of, the social responsibility of their companies at home and abroad; and how geo-politics affects their operations and their strategies.

Businessworld: Most schools want to offer a 'global' programme. To your mind, what is it that makes your school's programme truly global?

Garten: The very fabric of the Yale School of Management and its learning environment offers students a global perspective. About one-third of our students come from abroad, a high percentage of our faculty do too. The International Center for Finance at Yale SOM is focused on the critical issues facing the global financial community today. The ICF, as it is called, brings together scholars, from throughout the university, to examine topics such as the development of capital markets, the functioning of business corporations, how

In 1887 Yale College became Yale University. The Ivy League college has been continuously adding to its academic offerings with the School of Forestry & Environmental Studies (1900), School of Nursing (1923), School of Drama (1955), School of Architecture (1972), and School of Management (1974). An interview with the dean of the Yale School of Management, and author of *The Politics of Fortune*, Jeffrey E. Garten

investment decisions are made, and how security prices evolve. The school's newest research centre – the International Institute for Corporate Governance (IICG) – studies corporate governance worldwide and the relationship between legal regulatory frameworks and the global economy.

Businessworld: Every school has some 'core' values – values that it also looks for in its applicants. What would you say are Yale's core values?

Garten: The mission of the Yale School of Management is to educate leaders for business and society. Learning takes place within a solid framework of hard-edged business skills in finance, accounting, economics, strategy, marketing, organisational behaviour, operations and political analysis and develops an appreciation for the social, economic, and political factors that shape the global environment. At the same time, your classmates, professors, and the school's alumni will reinforce the importance of providing value to society at large.

Businessworld: What is the kind of international student your school wants to attract? Please list some of the qualities you look for in an international student?

Garten: First and foremost, we seek individuals with keen intellectual curiosity, with the highest academic and professional achievement, and with a passion to excel in everything they do.

Businessworld: What would you say is the most compelling reason for Indian applicants to join your school?

Garten: Yale SOM offers renowned faculty and outstanding students with diverse backgrounds (38% are international and hail from over 50 different countries) in a rich learning environment. We believe the factors which most distinguish us from other business schools are our highly-per-



volved in many far-reaching activities in India.)

Businessworld: Do you think an Indian who has done an MBA from a premier institute in India can still benefit from your programme?

Garten: While each MBA programme is different, if someone has essentially completed a similar course, particularly the core curriculum, the value they will gain from the Yale MBA program is diminished.

Businessworld: Do the GMAT scores, GPA, essays, resumes and recos get equal weightage at Yale?

Garten: Yes. We review each application very carefully and give full consideration to all aspects of a candidate's profile. As one with such a small programme, we want to get to know candidates very well before offering admission and as such go to great lengths to really evaluate them as fully as possible.

Businessworld: Please single out the most important thing in the school's curriculum that an international student should know about.

Garten: The hallmark of the Yale School of Management is the rich and broad learning experience we provide.

Businessworld: What is the kind of work experience that you value most?

Garten: There is no one kind of work experience and the diversity of work experience that our students bring is one of our strengths; we are most interested in those candidates who have had a positive impact on their organisations and demonstrated leadership and management potential.

Businessworld: Yale offers some excellent joint programmes. Are they popular among Indian students?

Garten: To date, no Indian or Indian American students have undertaken a joint degree. However, one of the great things about the Yale School of Management is that when

"When you come to our school, you come to all of Yale. You can take classes in the entire university as part of your MBA education."

sonal learning environment, the excellence and diversity of our faculty and students, the passion of our alumni for the school and what it stands for, and the breadth of our vision of leadership.

Businessworld: Does your school host any events/interviews in India?

Garten: Every year we visit India in the fall to talk with prospective MBA students and then return in the spring to interview candidates. (These interviews are by invitation of the admission committee after reviewing a candidate's application.) We have also conducted information sessions in India over the years. (Yale's Professor Shyam Sunder is in-

students come to Yale SOM, they come to all of Yale and can take classes throughout the entire university as part of their MBA education. Among the most popular areas are law, environment, and international relations.

Businessworld: And, finally, what is the message you would like to send out to Indian applicants?

Garten: The Yale MBA offers a unique opportunity to study in a rich environment at one of the world's great universities. Despite recent issues surrounding student visas in the US, Yale remains committed to a diverse student body, including drawing candidates from around the world. We hope you will consider us and apply. ■

Portrait of a Job Seeker

How a student at a top-notch B-school hunted down a job in the lean season

EARLY JUNE 2001

MY batch has been at INSEAD for six months now, and we are witnessing recruitment season fever first-hand. The stress is already showing on the September batch, which graduates in July. At B-schools across the world, recruiters are being over-cautious. The mood is very different from what it was last December – those guys had an average number of three offers per person. For this batch, the figure is expected to drop sharply.

The number of summer internships on offer is also far lower – I haven't been able to land one. I had taken an Indian student bank loan, which I'm supposed to start repaying immediately after graduating. That's just six months away. Scary.

EARLY JULY 2001

I'M back home in Chennai for some weeks. I desperately wanted a break from the stress of the summer job hunt, and also wanted to gear myself for the coming recruitment season. Plan to go back via London, and meet some INSEAD alumni working in the sector I am interested in: telecom. I send out some mails from Chennai, and fix up a couple of appointments.

END-JULY 2001

WHEN I land at Heathrow, the first thing that hits me is a *Financial Times* headline: a corporate major has just laid off 3,000 employees. Meet a few alumni in London – their response is disheartening. One of them tells me that his organisation cut 30% of their staff the previous day, the reason behind so many empty seats in his office! After three days in London, I decide to go back to INSEAD to continue my job hunt.

1 AUGUST 2001

OPENED the alumni directory (INSEAD has a very impressive one) today and sent out mails to alumni, asking for 'informational interviews' (you basically say you want to talk to them about their companies, but the idea is to find out if they are hiring. If yes, then how does one apply?) in the telecom sector.

29 AUGUST 2001

JUST got invited for a day-long interview in Bonn on 14 September. An alumnus working with a leading European mobile operator responded to my mail with a list of further contacts, one of which happened to be

Deutsche Telekom (DT). I applied to the contact and snagged an interview call.

2 SEPTEMBER 2001

CLASSES are in full swing, with the accompanying assignments, project work, group meetings, etc. I have already sent out around 100 mails, and received roughly 50 responses – a decent strike rate. I have even prepared a spread-sheet, telling me what stage of the process each of my contacts are at! Many follow-up telephonic chats have ended in dead-ends, but some have resulted in telephonic interviews and meetings.

I'm bushed.

Financial newspapers continue to be full of stories of recession and lay-offs. It seems only around 80 companies are coming to campus this year, as compared to over 100 last year.

11 SEPTEMBER 2001

I have a morning meeting in Paris today with an alumnus working with a telecom vendor – it goes well, and he promises to revert within some weeks. While waiting for a bus in Paris, I get a shocking call from a friend telling me that two planes have crashed into the twin towers at New York. Back at INSEAD, I watch with my batchmates in horror, as CNN replays the event. Everyone is on their mobiles, trying to find out more about their friends and relatives in New York. We hear that some companies may be cancelling their campus presentations. Madness. I must try to focus on preparing for my DT interview.

14 SEPTEMBER 2001

IT has been a good day's work. I flew in to Bonn early in the morning: first interview was at 11.30, with the person who had called me, the team leader. It carried on for an hour, after which I had lunch with the whole team. Following lunch, I had a peer session with the team members. At the end of the day, I was told that I may have to come back for another meeting with the HR department. Fly back the same evening, quite satisfied.

LATE SEPTEMBER 2001

HAVE gone through quite a few telephonic interviews, which came about thanks to my mails. One of them, a telecom start-up based in Amsterdam, looks particularly promising. I may be called to Amsterdam for an interview. Another telephonic interview with a

mobile operator in Italy goes well too. But the fact that I don't speak Italian may pose a problem.

EARLY OCTOBER 2001

NOT too many interviews coming my way through the campus recruitment process. In addition to the general recruitment cutback – which has brought some more filters like work visas into play – perhaps my age (33) and my background (telecom for over seven years) are going against me. Investment banks and consulting firms, which have historically been the major recruiters at INSEAD,

seem to have cut back on their recruiting drastically – the recession appears to have hit them hard.

I keep pushing on with the alumni mails, telephone calls and meetings, which seem more productive. My batchmates are going through the grind of multiple rounds of interviews. Many have started discussions with former employers, and are accelerating independent off-campus job searches.

18 OCTOBER 2001

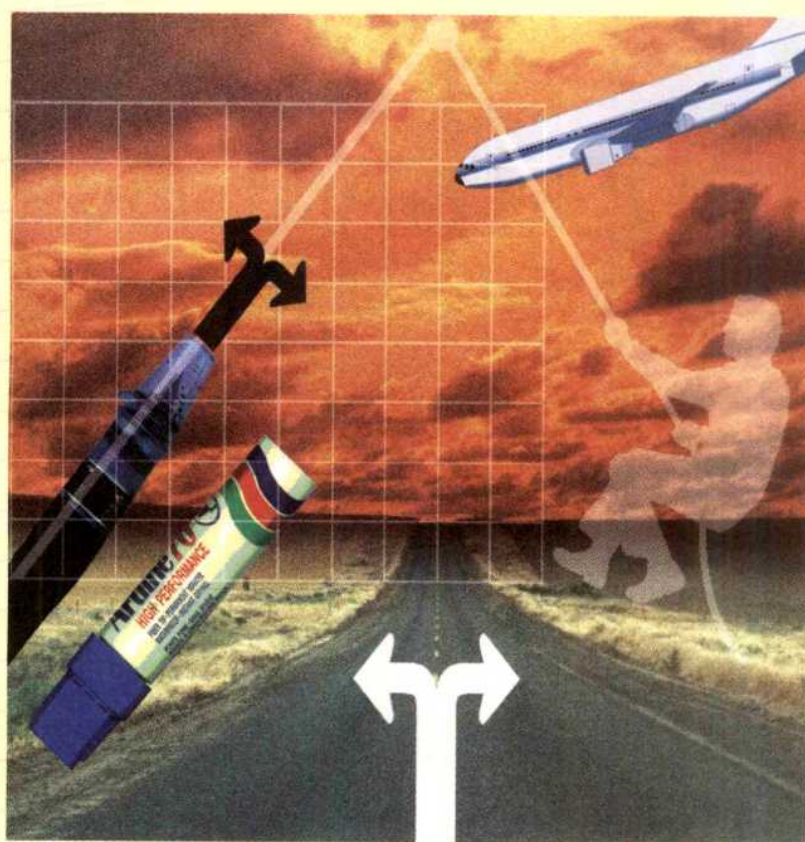
THE DT job's mine! They have told me that I don't have to meet the HR department, and the answer is yes. This is not an entry-level job – unlike investment banks and consulting, the telecom industry rarely hires MBAs for entry-level positions. I was lucky that there was a vacant slot that DT was looking to fill, I seemed to have a suitable profile for the role, and that was it.

22 OCTOBER 2001

I received the formal offer letter via fax. Decided to celebrate by going to Freddy's bar at INSEAD for a drink. As I sip a beer, and relax for the first time in months, some thoughts cross my mind. For one, I am glad I started my job hunt early. I was able to arrange around 10 telephonic interviews, and 5-6 face-to-face meetings, which is pretty good going, given the economic situation. Of course, the whole process has been a nerve racking one, involving a lot of stress and anxiety. But I am richer for the experience – focus and stamina definitely made the difference.

Finally, it's time to close the diary. Cheers! ■

Vinod Janardhan
(INSEAD, Class of 2001) is with
Deutsche Telekom in London



THE PLACEMENTS GUIDE

- **How soon should you start looking?**
Day One. Start building contacts the moment you get admission.
- **What are the resources you can use?**
Personal contacts and the alumni database.
- **Whom should you approach – HR people or just contacts?**
Both. In places where the hiring process is structured, HR managers play a critical role. But at times, they are not responsive so you will have to work your way through your contacts.
- **What should be the strategy for the interview?**
Be persistent but don't overdo it. Be positive. Learn about the company and make sure you have some intelligent questions to ask. Everything you say must be result-oriented.

It was a radical idea when Joseph Wharton asked the University of Pennsylvania to found the world's first collegiate business school in 1881. There were no text-books, no curricula, and no professors of business. In time, the vision and financial support of Joseph Wharton and early leaders of the school transformed this 'struggling provincial experiment' into the foundation of an industry. At the same time, the study of business was transformed from a trade into a rigorous profession. An interview with director (graduate division) and vice-dean Anjani Jain

"Rankings have never

Q What would you say is the most compelling reason for international applicants to join Wharton?

Jain: International applicants are attracted to the Wharton School because it is recognised around the world for its innovative

leadership and broad academic strengths across every major discipline and at every level of management education. Founded in 1881 as the first collegiate business school in the US, Wharton's reach is global – the school has nearly 5,000 students from more than 65 nations enrolled in degree programmes, 10,000 participants in its executive education programmes, and a network of nearly 75,000 alumni in 137 countries. Regardless of where candidates live and work after the MBA, they benefit from an unparalleled learning environment with global relevance and appeal.

Businessworld: Would you recommend that candidates take into account the rankings brought out by publications like *BusinessWeek* and *WSJ* before making their choice of a B-school?

Jain: Rankings and other survey instruments are useful tools for observing academic trends and relative differences among schools. As with all forms of feedback, these publicised data help B-schools in their efforts to continuously innovate and improve all aspects of their programmes. Having said this, one must view such results cautiously, because methodologies vary from publication to publication across all the rankings.

Beyond survey results or official B-school rankings, there are several essential issues a prospective student

should consider before deciding where to earn an MBA from. These include: 1) intended geographic location post graduation and a school's direct connection to that community; 2) the strength of a school's alumni network in his/her intended future career; and 3) a school's course offerings in his/her intended major. These considerations ultimately affect the value of a programme to an individual.

Businessworld: Wharton has slipped in the *BusinessWeek* rankings. Do you agree with the assessment?

Jain: The *BusinessWeek* rankings are one of more than a dozen currently administered by various publications for MBA, EMBA, under-graduate and executive education programmes, in which Wharton has consistently been listed at the top or near the top. While we recognise that rankings are a fact of life in the B-school world, and that many people pay attention to them, they have never defined us.

Before the proliferation of rankings, Wharton was steadily building its academic programmes and its strength in faculty research is the best in the world. That has always been our focus, and it will continue to be, wherever we are listed in any particular ranking.

By almost any measure, the school is in the strongest position in its history and is building on its momentum through initiatives such as:

- Completion of Jon M. Huntsman Hall, the most advanced educational facility in the world
- Drive toward successful completion of \$425 million fund-raising campaign
- Successful launch of Wharton West; will graduate first West Coast WEMBA class in spring 2003

- Record applications for MBA programme
- Highest-ever quality of matriculating students
- Launch of Learning Lab to better utilise technology to enhance classroom learning process.

While the *BusinessWeek* survey and others play an important role in the students' perception of the school, it's our worldwide community's consistent efforts to innovate, achieve and deliver the highest standard in everything we do, and it is the day-in-day-out actions of our people that are the best measure of Wharton's leadership in business education. We compare this feedback with the ongoing stakeholder surveys the school conducts each year, including issues regarding student and recruiter satisfaction.

Jain: Wharton's MBA evaluation process is a holistic one, with no relative weight attached to different areas of the application. It is worth mentioning, however, that in a pool where 75-80% of all applicants are admissible, the more qualitative dimensions of an application become important.

After an application is reviewed, the admissions committee reaches a bottomline – evaluative assessment of an individual's readiness for an MBA, the ability to clearly articulate past and future career goals, if he or she is fit for our particular programme, and the ability to contribute to the school as a student and an alumnus. The same process is used for all candidates, national or international.

Businessworld: What are the strengths, or weaknesses, of

Defined Us"

Businessworld: How can an Indian student, who has already got an MBA from a premier Indian institution, benefit from your two-year full-time programme?

Jain: It is not uncommon for prospective students who already possess a MBA from another premier institution to apply to our programme. The most frequent rationales for acquiring a second MBA include: 1) a first MBA with little or no base of professional work experience to build upon; and 2) the desire to gain a more global education. In the first instance, candidates believe the value of their original MBA was circumscribed by their limited exposure to the business world, and life in general. Taking the same degree with the benefit of time, experience and a broadened perspective will enhance the depth of their learning.

In terms of a global education, we find that many of these prospective students are looking to broaden their exposure by attending a school with a greater international emphasis. A school such as Wharton, comprised of approximately 41% international students, a global curriculum, and numerous opportunities to study and work abroad, offers a truly global education.

Businessworld: Is there any part of the application – essays, recos, resumes, or GMAT scores – that is given more weightage while evaluating international students?



most applicants from India?

Jain: While it is hard to generalise about any population, we do find that Indian applicants are, by and large, strong candidates in our pool. The major strength we see is in their quantitative skills, as reflected in strong academic and professional training in engineering, computer science, and related fields. This background prepares them well for the analytics and rigours of the Wharton MBA programme. These quantitative skills may also serve as a weakness when the more qualitative dimensions of an education or personal development may be relatively de-emphasised. As an institution, we seek candidates who are not only intellectually prepared for the programme, but well-rounded individuals with strong interpersonal skills (like leadership, teamwork, management). Our community is built on attracting people who will contribute as much to the school as they will take away from it.

Businessworld: What is the kind of work experience that you value most? What are the opportunities and challenges a prospective student must actively seek? Does

views in India?

Jain: The Wharton interview is an evaluative tool used to help assess a candidate's interpersonal skills – how well someone communicates verbally and interacts socially. The interview serves as one data point that we consider in evaluating the strength of an entire application. Contrary to popular conception, the interview is not a turn-key event that determines whether or not a candidate is admitted, wait-listed or denied. In the vast majority of cases, admission decisions are made on multiple grounds, one of which may or may not be the interview.

The Wharton MBA admissions and financial aid office conducts interviews around the world – on-campus with graduate assistants and staff, off-campus with staff, and off-campus with alumni. Each year we offer hundreds of interviews in India and throughout Asia to prospective candidates. These interviews are conducted by both staff members and trained alumni.

Businessworld: The cost of doing a Wharton MBA is among the steepest. Do you think this is a deterrent for

“A Wharton degree is well worth its cost. The return on investment is among the best in the world, as reflected in lifetime earnings.”

Wharton admit any candidates without work experience?

Jain: Wharton seeks candidates from diverse professional backgrounds. An MBA learning environment is enhanced when students come from a variety of industries and business sectors, including the government and not-for-profit arenas. We are more interested in the quality of a candidate's work experience than where he/she has been employed. Strong candidates are generally those who are progressing at work, expanding their skill sets, and/or gaining direct management or leadership experience. Individuals with less extensive professional development who exhibit great potential in these areas are also valued candidates.

It is the rare candidate who is admitted without work experience – less than 2% of admitted students have less than two years of professional work experience. Because an MBA is an applied degree, students both learn more from the programme and contribute more when they have a base of professional experience to build upon. With exposure to the workforce comes a broadened perspective and appreciation of real-world applications of knowledge, in addition to opportunities to have developed teamwork, leadership, and management skills.

Businessworld: Just how important is an interview in the Wharton admissions process? Do you hold any inter-

views in India? Indian students (especially at a time when repaying loans isn't easy)?

Jain: The cost of the Wharton MBA is consistent with other top MBA programmes. Based on its general reputation and education delivery methods, the Wharton MBA degree is considered to be well worth its cost. The return on investment is among the highest in the world, as reflected in lifetime earnings. Even at a time when repayment periods may be longer, the degree continues to be a worthwhile investment.

Businessworld: And, finally, what is the message you would like to send out to Indian applicants?

Jain: In preparing their applications to Wharton, we'd like Indian applicants to be aware that they, like all applicants, are evaluated relative to the entire applicant pool. Applications are viewed collectively; they are not disaggregated for review based on citizenship, professional background, undergraduate institution, or other criteria, as is frequently assumed. There are no quotas established for individual countries or regions. ■

For detailed information about our evaluation process, we suggest candidates visit <http://www.wharton.upenn.edu/mba>. Here they will find downloadable descriptions of the application review process and also gain access to our student2student discussion board where current students and staff members exchange information with prospective students.

Getting the Max Out of Your MBA

PRITAM DOSHI



BEFORE I started to write this article, I tried to replay the whole MBA experience in my head. Without hesitation, I can say that the most memorable times I had during the two years were those spent making new friends, working with people from diverse backgrounds (education, work and cultural) and sharing each other's experiences.

Fellow students are the best resource when you need to make important decisions – which courses to take, what firms to apply to for a summer internship, where one should live after moving to a new city, etc. While most of the students are your age group, they may already have worked in the firm that you plan to join. They can give you a candid opinion of the culture and people at that firm.

The time spent with peers in classrooms and libraries while studying for tests and preparing presentations is invaluable. Sometimes such meetings can be very taxing in terms of personality match and egos. However, all the experiences are useful and educational, even if indirectly. Mechanics of deliberations, negotiating skills and the knack of influencing people are talents that are learned rather than taught.

Finally, the weekends spent with classmates in restaurants and bars, the birthdays celebrated with peers and their spouses are when the bonds are strengthened. Even after graduating, I have been in touch with all the friends I made in Chicago. Last year when my wife and I visited the US for the first time after my graduation, we spent 40 days there, and still could not meet all our friends!

Extracurricular activities such as theatre, community service, mentoring, teaching assistantships and outdoor workshops are forums for getting to know your classmates. For example, University of Chicago has a theatre group called the GSB Follies that prepares and practises for several months before the annual show. The months I spent in the group are unforgettable and have led to lasting relationships.

Several applicants ask me whether professors in schools such as Chicago are open to spending quality time with students. My view is that if one is willing to invest time in

getting to know professors through classes or extracurricular activities, they are more than eager to reciprocate.

My experience with the faculty was very exciting: I worked closely with the entrepreneurship faculty at Chicago in organising business plan competitions and got acquainted with them at a personal level. In fact, one of the professors hosted a reception in Chicago to celebrate my wedding that took place in Mumbai in the second year of my MBA. I continue to exchange emails and bounce ideas off existing faculty at Chicago on a regular basis.

The in-class experience is definitely a very enriching one. Since Chicago has a very flexible curriculum, I chose only those courses that were new to me and therefore each and every class was a great learning experience. One of my favourite courses was managerial decision making, which discussed the practical applications of behavioural finance. This area of finance and decision-making was very new to me and extremely fascinating.

Last but not the least, the alumni network has been of tremendous value to me. It is really good to know that there is an alumnus in any place that one may visit for a holiday or on business. Fortunately for me, the Chicago alumni involvement in various activities is also very strong across the world. The alumni network can be helpful in several ways – some that may help build strong social as well as business contacts. I have become very active in the alumni network in India. I have met like-minded people who continue to enhance their skills and knowledge through speaker events and other get-togethers. As in student life, the more one gives to the alumni community, the more one gets out of it.

The MBA experience is what one makes of it. The more one is involved in the various activities and aspects of the MBA experience, the more one receives. There is no dearth of activities at business school; a student who shows interest and the willingness to participate is surely rewarded. ■

Agenda

- Participate in extra-curricular activities
- Try to develop lasting bonds with students and the faculty
- Consult fellow students when you need to make important decisions
- Choose courses that are new to you – it is a great learning experience
- Get actively involved with the alumni network – this can be of immense help

Pritam A. Doshi, is an alumnus of GSB Chicago Class of 2000. He started the University of Chicago Alumni Club, Mumbai. He can be contacted at pritam@paeltd.com

"We're always Popular with Recruiters"

The McCombs MBA at the University of Texas at Austin aims to provide an exceptional learning environment for business leaders. Its culture emphasises collaborative excellence. Its professors balance great teaching with world-renowned research. And its students capitalise on an incredible wealth of resources, from the school's vast alumni and recruiting networks to its diverse student organisations and innovative joint ventures with the industry. An interview with dean George W. Gau



Q What kind of international students do you want to attract to your school? Please list some of the qualities you look for in applicants.

Gau: We look for the same overall qualities in all applicants, international or domestic.

These include:

- Leadership ability
- Capacity for strategic thinking
- Evidence of interest in the US MBA experience
- Particular interest in the McCombs School's collaborative and cooperative programme
- Career goals that will benefit from our core strengths in marketing, finance, management, and information management
- Evidence of strong English verbal skills.

Businessworld: Do you believe that Indian students have a unique perspective to offer? How is it different from that of students from other developing nations?

Gau: At McCombs, Indian students do seem to bring unique advantages to their educational experience. Because of their strong English-language skills, they tend to participate and contribute actively in group discussions.

They also invariably have excellent professional backgrounds with transferable work experience. This makes them highly marketable upon graduation. And, finally, many (but by no means all) Indian students who come to Texas bring very strong backgrounds in technology, which enhance their classroom contributions.

Businessworld: Every school wants students who share its 'core' values. What are McCombs' core values?

Gau: We value excellence in the pursuit of knowledge. We place great emphasis on teamwork and community. And we seek students interested in fulfilling the overall mission of the University of Texas to transform lives for the benefit of society.

Businessworld: One of your school's major strengths has been its entrepreneurship specialisation. Do students find it less attractive now that the economy is weak and the tech sector isn't what it used to be in the past?

Gau: Entrepreneurship, along with information management, marketing, finance specialisations (energy finance, real estate, private equity, the MBA Investment Fund) and several other areas have traditionally been attracting students to McCombs. The unique thing about entrepreneurship is that it feeds into all of the other specialisations, since

people have to draw on a full complement of business skills to launch successful new ventures. Nationally, interest in entrepreneurship programmes has tailed-off somewhat. Our entrepreneurship concentration, however, seeks to develop skills not just for launching start-ups, but also for the growth and renewal of larger organisations, and we believe that this general management approach, which some people refer to as 'intrapreneurship', will always be relevant in a dynamic business environment.

Businessworld: Most schools want to offer a 'global' programme. To your mind, what is it that makes your programme truly global?

Gau: There are significant global aspects to both the operations and culture of the McCombs School, and I encourage non-US students to look at both of these when they consider US programmes.

On the operations side, we have partnerships with more than 20 top business schools worldwide. Our faculty, 20% of whom are international themselves, teach in high-profile programmes across the globe. And we have deep research and recruiting ties with multinational corporations, many of which, like Dell, run major operations in India. Finally, we've just added an exciting new global dimension to the MBA curriculum through the Plus Program, in which all MBAs participate in global business education during their second year, with the vast majority travelling outside the US.

On the cultural side, the University of Texas at Austin is

Gau: Business education has to change as rapidly as business itself. That is why we constantly seek innovative programmes to ensure the relevance of the McCombs curriculum. Our latest innovation, the Plus Program, responds to the increasing desire among corporate recruiters for MBAs who are strong in the so-called 'soft skills' – communications, negotiations, teamwork, ethics, global and social awareness. Plus takes a unique approach to these skills: we stop classes for two weeks in the middle of each semester and, as a community, the students participate in rigorous, non-graded seminars, working with communication specialists, ethicists, top negotiators, and other outstanding professionals.

At the same time, student teams undertake brief but intensive consulting projects with a variety of community organisations and corporations to test the skills they are working on.

Businessworld: Has your school kicked off any new initiatives to get recruiters on campus?

Gau: While the Plus Program is not specifically a recruiting initiative, it was developed in direct response to recruiter input, with a goal of cultivating the soft skills that recruiters are looking for in today's MBA graduates.

At the same time, the McCombs School has an advantage in recruiting in part because of our extensive alumni base. Over the recent downturn, we've reached out to our network of over 75,000 alumni, leveraging their contacts to

"Indian students have excellent professional skills and backgrounds which make them highly-marketable after graduation."

a great place to be an international student. The university has the second-largest international student population of any college in the US. While some universities have 500-600 foreign students, Texas boasts of thousands. It has 800 students from India alone. Their presence considerably adds to the experience of the US students, but, of course, it also enhances the experience of foreign students who often form vibrant extended communities. At the business school in particular, the international student organisations are especially strong. It includes the Indian Graduate Business Association which creates a welcoming culture and a network with students and alumni.

Businessworld: Some people are questioning the relevance of an MBA programme once again. Do you believe that some aspects of the programme need to be changed? Is your school modifying its own programme to specifically answer such criticism?

bring recruiters to the campus. And as always, we remain popular with recruiters because of the sheer size, diversity, and exceptional talent of our student body.

Businessworld: Are the GMAT scores, GPA, essays, resumes and recos given equal weightage in the McCombs admissions process?

Gau: Yes, we consider the GMAT, GPA, essays, resumes, and letters of recommendation equally while reviewing an application.

Businessworld: What is the kind of work experience that you value most? What are the opportunities and challenges a prospective student must actively seek?

Gau: We value work experience that indicates strong leadership abilities, long-term values, the ability to work in teams, and a capacity for strategic thinking. These are among the hallmarks of exceptional leaders. We consider them great predictors of future success. ■



How to Write A Win

ASHISH A. KOTECHEA

A sluggish economy, higher unemployment, dotcom failures and America's unrelenting allure have resulted in a huge increase in the number of B-school applicants. With applications up nearly 10-15%, there is a very large and talented applicant pool that makes it even

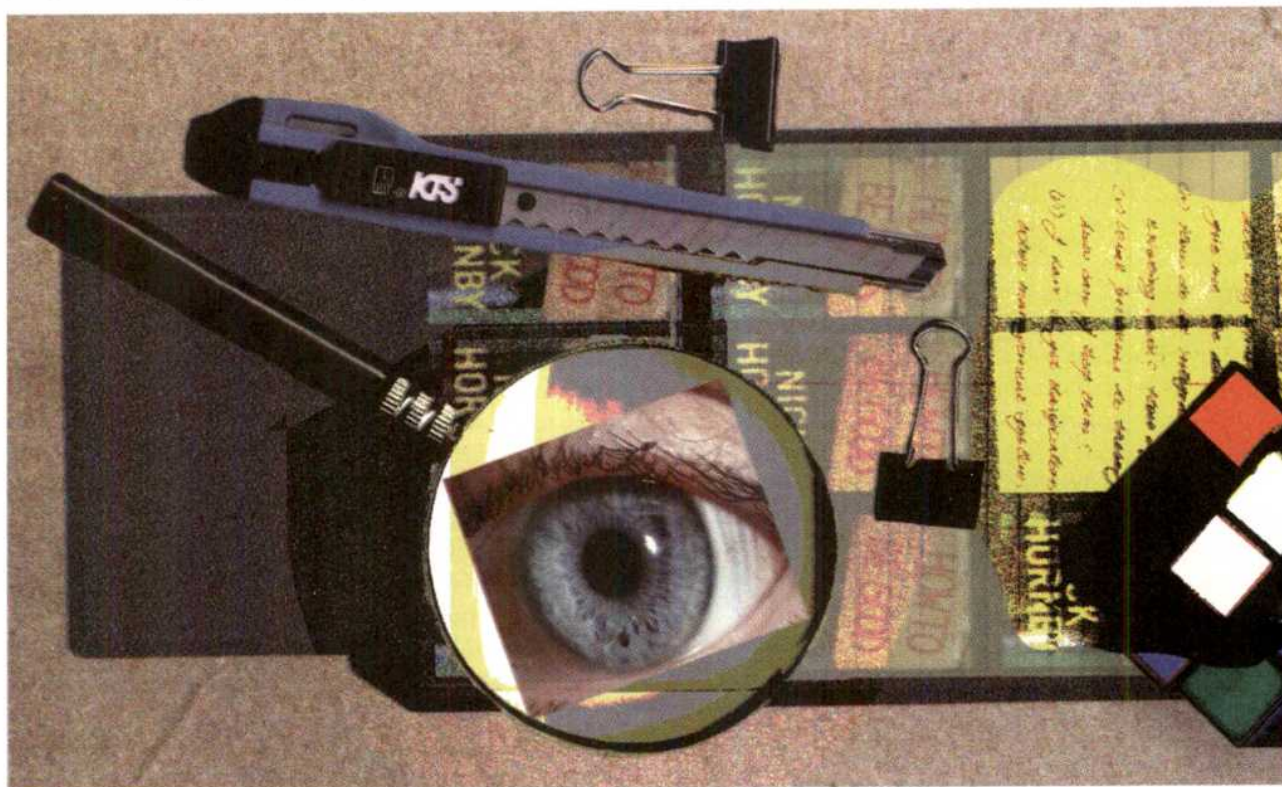
harder now to enter good business schools than before.

GMAT, under-graduate GPA, recommendations and essays are all complementary elements of a total application package. The first three are more standardised metrics that are essentially a ticket to compete. Essays, on the other hand, offer a unique opportunity to differentiate an application. They are a window to your world that will enable people to understand the person behind the numbers and the achievements.

While I have no 'magic formula' to create picture-perfect essays, I have put together a few thoughts that summarise my perspective on writing winning essays that will complement an application package.

THE TEN GOLDEN RULES

- 1. Have a good story:** A well-thought out story about why business school makes sense is a fundamental part of any good application. A good story makes an application stand out by tying in personal background/experiences, personality traits and future plans into one compelling and integrated picture.
- 2. Be consistent:** The need to be consistent across various parts of the application, and across all the essays, is closely related to the earlier point. Inconsistencies breed doubt and should be avoided at all costs.
- 3. Think holistically:** It is a good idea to first step back and list out all the essays a school requires before starting work



Writing Essay

on any particular one. This will help you distribute all the experiences and qualities that need to be showcased.

4. Personalise the essays: Schools prefer to maximise acceptance rates by extending offers to those students who are more likely to accept. Since students generally apply to several schools, essays help schools identify students who are genuinely excited about their programme. Therefore, selectively referencing some aspects of the school (history, programme reputation, professors, clubs) works well.

5. Demonstrate muted confidence: While it's very important to come across as a confident person, it is equally important to avoid appearing arrogant and/or over-confident. Avoid using superlatives unless absolutely necessary. It is often a good idea to lead readers into making obvious conclusions about your abilities rather than explicitly stating them.

6. Showcase – don't catalogue – achievements: Essays should be viewed as a trophy case to highlight experiences and qualities that'll distinguish your application from that of others. Avoid listing every little positive fact about yourself.

7. Use a clear and simple structure: With an ever-increasing number of applications to cover, reviewers barely spend a few minutes on each individual essay. Well-structured

thoughts make it easy for a reviewer to understand and grasp the contents of an essay quickly. It is therefore important to group related ideas and sequence them logically.

8. Respect word limits: Word limits should be strictly followed. Although hard to practise, 'economy of words' is a golden rule to follow when writing essays. Reviewers appreciate concise, yet complete answers.

9. Use an active voice and avoid silly mistakes: Use the active voice throughout your essays to bring them to life. Typographical errors should be aggressively avoided. Have someone else review your work, as it is easier for an outsider to catch mechanical errors than it would be for you.

10. Start early: It is very easy to underestimate the work associated with writing essays. Plan ahead and leave sufficient time before deadlines to work on the essays. It is often helpful to begin organising your thoughts around typical questions very early on (several months in advance) so you can refine and perfect what you are going to write.

TIPS TO CRACK TYPICAL ESSAYS

● Essays on career aspirations and reason for an MBA:

These essays are an opportunity to tie in previous work experience with future career goals, and thereby explain why business school makes the most sense. It is important to highlight why an MBA is a crucial step towards meeting your long-term career goals – and why it is important at this particular juncture in your life.

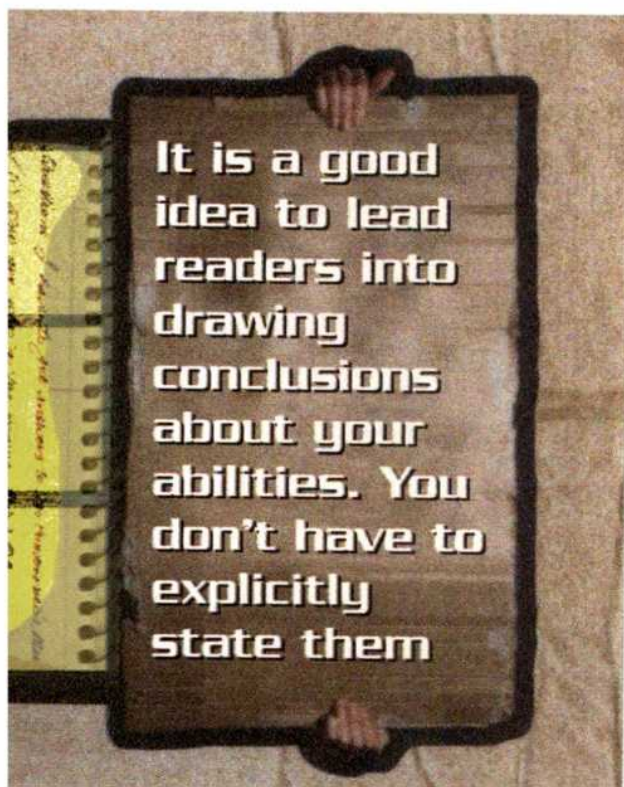
● **Personal background:** These essays should not serve as a mere catalogue of your achievements but instead they should highlight what was behind the achievements. What implicit qualities do they demonstrate? What valuable lessons have you learnt? What factors – leadership style, analytical power, etc – drove your success?

● **Failure:** Essays that talk about failure are among the most dreaded. Students often cite examples where they tone down failures to avoid creating negative impressions. However, the focus of these essays is more on the lessons learnt through failures rather than the nature of the failures themselves. So try to highlight any examples where lessons learnt from a previous failure helped drive success in another situation.

● **Leadership roles:** Leadership roles in professional, academic or extra-curricular situations are all equally helpful in demonstrating your abilities. Focussing on your ability to play the role of both a team player and leader through examples is a powerful way to demonstrate leadership skills.

By all means have somebody go over your essays to spot silly errors. But don't outsource the actual work. Remember, the essays are the best opportunity to bring your application to life – and to win the admission committee's hearts and minds. ■

At 22, Ashish Kotecha was the youngest in his class at UCLA (Class of 2001). He is now working as a senior associate at McKinsey & Co. in San Francisco



"Unlike Others, We haven't Strayed from Key Issues"

Named after Colgate Whitehead Darden, Jr., former governor and president of University of Virginia, The Darden Graduate School of Business Administration was founded in 1954. Darden's faculty has chosen six issues that strongly impact businesses today – innovation and entrepreneurship, e-business, sustainability, the extended enterprise, post-merger integration, and diverse leadership teams. An interview with dean Robert Harris



Q What makes the Darden experience unique for international students? Why should a student choose Darden over other top-tier schools?

Harris: Darden's mission is to make society better by developing business leaders. We want to attract students who aspire to leadership positions and who share our approach to student development and of being closely connected to business issues. Darden provides unmatched learning through its case-based curriculum, an outstanding package of activities dedicated to career success and a close-knit community of students, faculty and staff that work together. Individuals who find this package attractive are exactly the ones Darden hopes to attract.

In terms of our curriculum, we emphasise on outstanding teaching tied to business practice. Each day, students analyse case studies of business situations, and they do so by working with an outstanding faculty, regularly ranked among the top teachers in the world. Like all top B-schools, we have unmatched expertise in fundamentals like finance and operations. But beyond that, we know successful leaders need an integrated understanding of business, effective communication skills, and the ability to work with others to get things done. Each of these areas is incorporated into our curriculum. Two other key attributes of great leaders are their integrity and an ability to lead change. That is why we also address issues of ethics and innovation.

In keeping with our focus on real business issues, we work with students to prepare them for job search and long-

term career success. This includes specific classes and counselling around issues such as job search strategy and interviewing. Our career services office has been recognised as one of the best in the world and we have an endowed alumni career services office that offers support throughout one's career.

The Darden community benefits from the relatively small size of the school. Faculty, staff and students work together and get to know each other. Students play a critical part in the life of the school – from governance to organising conferences to creating cultural events. The close-knit community builds strong ties among all and contributes to the strength and loyalty of our alumni network.

Businessworld: Once again there is a question mark on the relevance of an MBA programme. Is Darden modifying the programme to specifically answer such criticism?

Harris: Many business schools have strayed too far from the key issues facing businesses and business leaders. It is vital that your faculty, research, curriculum and programmes stay close to business. Among B-schools, Darden positions itself at the applied end. Our faculty write case studies, teach in our executive education programmes and act as consultants to business organisations. This approach translates into an emphasis on applied research grounded in problems of business practice. These close connections between our faculty and business are critical to Darden's relevance. While we do many things well, staying close to business requires constant change. Our key initiatives include globalisation, entrepreneurship and innovation. Adding more international material to our curriculum is a priority as businesses are increasingly becoming more global. We have a major investment in entrepreneurship as more jobs and business opportunities require innovation and change in organisations, small and large.

Businessworld: Most schools want to offer a 'global' programme. To your mind, what is it that makes your school's programme truly global?

Harris: The key is to develop within your graduates a global mindset about business. Much of this takes place by having people from around the globe sitting in the class each day and making sure international issues surface. Some of that comes from using case materials from different parts of the globe. Programmes that take individuals to other countries are another way. For example, we have a Global Business Experience course in which more than one-half of our sec-

ond-year class spends time in Asia, Europe and Latin America, interacting with businesses there.

We also have an array of international exchange student programmes and we craft specific elective courses that focus on particular regions of the globe. Darden is also fortunate to have one of the world's leading executive education programmes which provides us with other opportunities to have a presence in many different countries and to expand our relationships with many different companies.

Businessworld: What kind of international students do you want to attract to your school? Please list some of the qualities you look for.

Harris: We want people who will be leaders in their organisations and communities. While academic excellence and strong test scores weigh heavily in our evaluation, we also pay a great deal of attention to progression in work experience and to what the student can contribute to the overall Darden community. That means we look for applicants who can demonstrate examples of leadership in their prior work or life experiences, and applicants who have diverse backgrounds. We look for students who are interested in the case method and participate actively in class discussions. We firmly believe that every applicant must contribute to the overall quality of the experience at Darden.

One of the most valuable assets of our school is the lifelong friendships that are developed here among students. These relationships remain a powerful network throughout a person's career and it is one reason, for example, why the Darden network was rated as the best in the world in a recent *Economist* poll.

Businessworld: What would you say is the most compelling reason for an Indian applicant to join Darden?

Harris: I'd say because they want to be leaders who make their communities and the world better. It's also because they will receive the best management education in the world at Darden. Every top graduate business school in the world is very good at providing students with functional skills. At Darden, we do that but with an integrated curriculum – we provide students with the skills and knowledge of how all these skills fit together. That's why we are interested in students who want to lead – it's the essence of our general management approach. Students who graduate from Darden understand finance, marketing, strategy, operations, communications, human resources, and they understand how to integrate all of these areas to achieve success.

"Every top school is good at giving functional skills. We too do that, but with an added knowledge of how they all fit together."

Businessworld: Does your school host any events/interviews in India?

Harris: Yes we do. We have an alumni chapter in India through which we can arrange interviews. Our Indian students are very enthusiastic in meeting interested applicants in India to provide information about Darden and to answer questions. This year, we had more students from India in our incoming class than we had from any other non-US country. We also provide a number of scholarships that are specifically available to students from Asia.

Businessworld: How can an Indian student, who has already got an MBA from a premier institute in India, benefit from your programme?

Harris: Education should be a life-long process. In addition to our MBA programme, we've had thousands of senior executives from all over the world participating in our executive education programmes and have been able to build upon their expertise and management skills.

Businessworld: Are GMAT scores, GPA, essays, resumes and recos equally important in the admission process?

Harris: They are taken into account but we don't use a mathematical formula to admit someone. We're interested in the entire person – not only academics, but also his or her

Businessworld: What is the kind of work experience you value most? What are the opportunities and challenges a prospective student must actively seek?

Harris: There are no specific requirements regarding industry or job title. What we look for is a demonstration of leadership, a progression in work experience, interests that go beyond the workplace – applicants, for example, who have been active in their communities or have an interest in the arts, literature or in sports.

Businessworld: The feedback from a number of Indian students is that last year was very bad for international students in most B-schools. Is it possible that the shape of the economy and other events are influencing recruiters, and that they are – consciously or unconsciously – discriminating against students from certain countries? If yes, how is your school addressing the issue?

Harris: Darden did relatively well in comparison with many of our peers last year and that was true for both domestic and international students. Approximately eight out of 10 graduates had one or more job offers upon graduation this year and we continued to work with these new graduates throughout the year. Certainly, the economy has had an impact on recruitments, both domestic and international stu-

“Eight out of our ten students had one or more job offers upon graduation this year. We offer them the widest possible range of options.”

life experiences, willingness to take on challenges and the ability to learn from disappointments and successes. We try to understand how well a student will do in a case method school. That's why personal interviews are so important. It's the best way for an applicant to understand the school and its culture and values, and for Darden to assess the personal qualities of a prospective student.

Businessworld: What skills would you expect in a graduate from your school at the end of the programme?

Harris: In the recent *BusinessWeek* and *Wall Street Journal* polls, Darden students were celebrated for having strong ethical awareness, the ability to work effectively in teams and for their analytical and communication skills. In specific areas, our students scored very well in general management, global scope, technology, finance and marketing.

What you receive from Darden is not only an outstanding array of functional skills but also an ability to put all of them together to achieve success. We also strongly believe that it is important for students to learn how to communicate effectively, how to motivate others, how to work well in teams, how to think analytically and creatively about issues so that even the most difficult problems are solved.

dents. We're working hard to broaden the companies who recruit at Darden, especially those that are not able to visit our school. We are also concentrating on attracting more international companies.

Businessworld: And, finally, what is the message you would like to send out to Indian applicants?

Harris: Obtaining an MBA education is among the best and most important investments you can make. It's important to learn all you can about a school before you apply. You need to feel comfortable with the school's values, its mission, its culture, the strength of its resources and what it can add to your credentials. In 1988, I thought about all these before selecting the right graduate business school, not as a student but as a teacher. Darden was an easy choice for me and it was a rewarding one.

The MBA experience here is unmatched by any other school in the world, whether you're a teacher, student or alumni. If you're interested in Darden, I invite you to contact us and arrange for an interview. As one of our graduates said a few years back (and he's now the CEO of a Fortune 50 company): “Darden hardwires you for success.” I could not agree more. ■



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* B-1/16, Vasant Vihar, New Delhi.
51661812, 011-26140741
* 9-AB, Taimoor Nagar, New Friends
Colony, New Delhi.
011-26330336, 26326218

* 2530, Hudson Lines, New Delhi.
011-27225695, 27225698
* SCO-99-100, 4th Flr., Sec18B,
Chandigarh. # 0172-387669
* 40, Hospital Road, C-Scheme, Jaipur.
0141-369818, 373859

Website: www.jamboreeindia.com, E-mail: jamboreeindia@jamboreeindia.com

FRANCHISE ENQUIRIES SOLICITED

Stanford Virtues of Diversity

SWETA SARNOT & RAHUL BAMMI

W

HAT do Steve Ballmer (CEO, Microsoft Corporation), Vinod Khosla (general partner, Kleiner, Perkins, Caufield & Byers and co-founder, Sun Microsystems), Henry A. McKinnell (CEO, Pfizer, Inc.) and Jyotiraditya Scindia (member of Parliament, India) have in common?

They have all attended the MBA programme at Stanford University's Graduate School of Business (GSB). The Stanford GSB is an incredibly diverse community with over 33% of the students and faculty born outside the US.

You won't get our kind of classroom experience anywhere else. When cases are used in electives, often the founder/CEO/senior manager of the company attends the class to explain his/her perspective. You get to hear about Intel's strategy directly from Andy Grove! In case nobody from the company is present, you can still benefit from first-hand accounts from your classmates – somebody or the other has usually worked for the company.

Very often, the theories taught at Stanford GSB are 'Made in GSB'. For example, the Capital Asset Pricing Model and the Black-Scholes theory for pricing options were developed here. There are approximately 100 pre-eminent faculty members at GSB who are leaders in their respective fields – three of them are also Nobel Prize winners.

Around 25% of our electives are on international topics. In 2002, over half of the graduating class was actively involved in global management program (GMP) activities. Internships under this programme require students to work four-five weeks in a foreign country and to understand the challenges and issues faced in doing business in that country.

To complement the classroom experience, students go on study trips to countries like Australia, Brazil, Mexico, Russia, China and South Africa. Besides, regional clubs such as the Africa Club, South Asia Club and Europe Club, language tables, and conferences give us the opportunity to learn more about different countries, languages and cultures.

Being an Indian at GSB is no big deal. We have

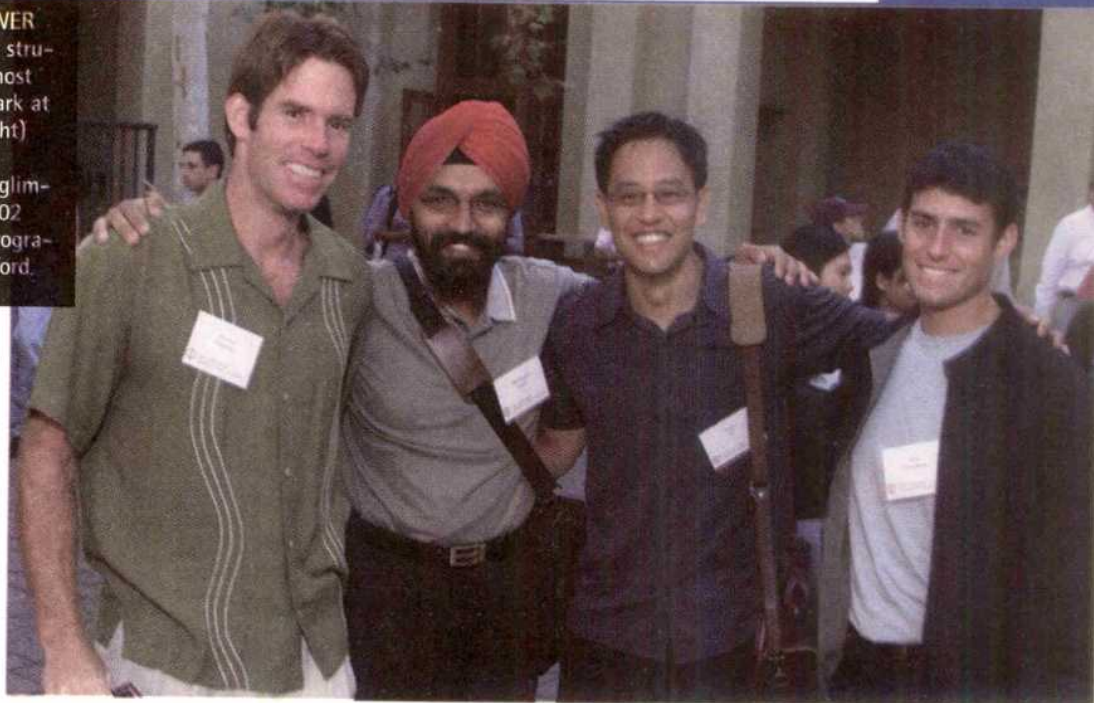


HOOVER TOWER

The 285-foot structure is the most visible landmark at Stanford; (right)

INCREDIBLE

DIVERSITY A glimpse of the 2002 orientation programme at Stanford.



about 15 students of Indian origin every year – half of them are Indian-Americans. There are quite a few international students so you are not the only one who is 'different'. Most of the American students have worked with foreigners in their prior jobs. In any case, the larger Silicon Valley community – don't forget our campus is in the Valley – is dominated by Indians.

Thanks to its location, GSB can bring in local CEOs and other top executives right into its classrooms. Several retired company founders like Andy Grove of Intel and John Morgridge of Cisco co-teach courses here. Venture capitalists work closely with the GSB and its Center for Entrepreneurial Studies to teach students how to start and grow a business.

Despite its exceptional diversity, GSB has an 'intimate learning environment'. The class is not separated into 'cohorts' and students get to meet and spend time in class with virtually all their 365 classmates and also have extensive interaction with faculty. It is a truly collaborative experience with students working with and helping others.

Outside the classroom, you can choose from a range of activities. Deciding what to attend and what to skip can be interesting and challenging at the same time. When you have to choose between listening to a Fortune 500 CEO, a successful entrepreneur, and a classmate who's started his own business, you never get bored.

Stanford MBA is highly competitive – last year, there were 6,000 applications for 365 seats! The admissions office looks for three important attributes

while evaluating the applications – demonstrated leadership potential, strong academic record and fitness for a 'diverse' class.

To judge leadership potential, the school seeks evidence of success, leadership and continuous increase in responsibility in whatever pursuit an applicant has chosen to engage in – a corporate career, sports, volunteer work, and so on.

Strong academic aptitude is a must as the Stanford MBA programme is rigorous, fast-paced and challenging. To be a successful applicant, you must have a solid academic foundation and a sincere desire to engage intellectually in the classroom. Academic aptitude is evaluated through academic record, work experience and test scores.

Finally, the admissions office wants to make up a 'diverse' class. Diversity is defined very broadly and covers (but is not limited to) educational and professional backgrounds, personal experiences and goals, culture, class, ethnicity, gender, sexual orientation, citizenship, and nationality. The school believes that collaboration can leverage this diversity to deliver multiple approaches to real-world business problems. GSB checks what qualities an applicant brings to the Stanford community, and how the experience here can, in turn, help the applicant.

We can certainly promise you this. When you leave the school in two years, you will become part of a network that will be an inseparable part of your personal and professional life. ■

Sweta and Rahul are second year students at Stanford GSB.

When One Is Not Enough

With more and more people seeking better job prospects and global careers, a second MBA is the in thing now

NAVJIT GILL

AN MBA from IIM Ahmedabad and seven years' work experience with top-drawer companies. These are the kind of credentials that can easily power you all the way to the top in the Indian corporate world. But India was not enough for Sanjeev Jha.

"I was looking for a global career in a consumer goods MNC in brand management, which is difficult to get from India," says Jha. So he did what a number of Indian MBAs seem to be doing of late – he went to a top-notch global B-school. "It is possible to get a global career in finance from IIMs today but not in marketing," says Jha, a first-year student at the Kenan Flagler Business School.

The reasons for doing the second MBA differ – it all depends on whom you talk to. "I think it's the market downturn that is responsible for the trend," says Dilip K. Bandyopadhyay, dean (research & academic collaboration) at IIM-L.

Perhaps. The number of applicants always jumps in a

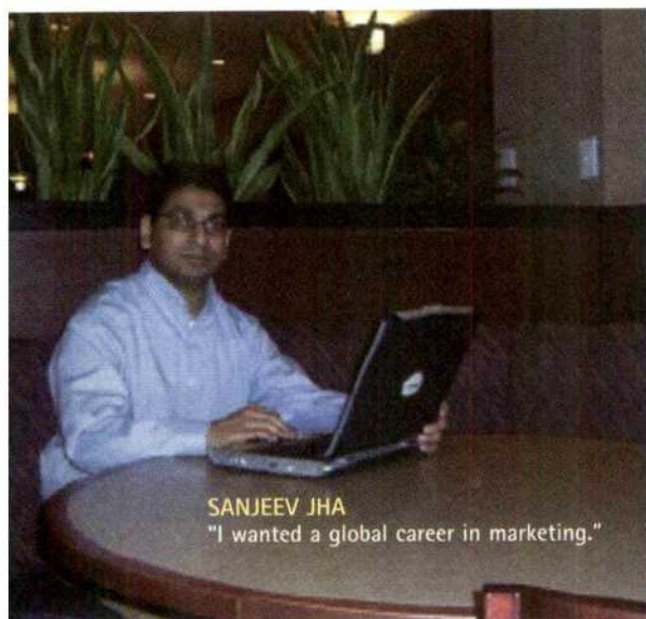
bad market. But many of the people we spoke to were holding down 'steady' jobs when they went for the second MBA.

And it's not as if Indians weren't going for the second degree before the economy went into a shell. Arun Rao, associate director (consulting) at Gartner in San Francisco and an SP Jain alumnus, did a second MBA from Thunderbird way back in 1996. "If you want to make it in the international market, having a degree from a top global school really opens doors. I don't think any of the schools in India really prepare you for a global market," says Rao.

While the motives for the second MBA vary – for instance, IIM-A alum Amitabh Agrawal says he is doing one from McGill because he wants to jump tracks to finance from marketing – a common thread is global mobility.

"I wanted to have a degree which would give me international mobility and the added flexibility of choosing my employer and job function. I want to be in a position to choose any employer in any geographical location, something similar to what the IIM degree grants within India – but on an international scale," says Amit Misra, MBA Class of 2004 at GSB Chicago. Misra, an IIM-B graduate, worked for four years as a strategy consultant with PwC Consulting in the New Delhi office before deciding to fly west.

Nithya Narasimhan, another IIM-B grad, originally went to the US in end-1999 for an altogether different reason. Her husband was based in Atlanta and she went there after her marriage. But when she started scouting around for a job she found that "there was little to no recognition of IIM." The economy had also started tanking by then, so Narasimhan decided to go back to school to obtain a US-recognised qualification.



SANJEEV JHA
"I wanted a global career in marketing."

Most Frequently Cited Reasons for the Second MBA:

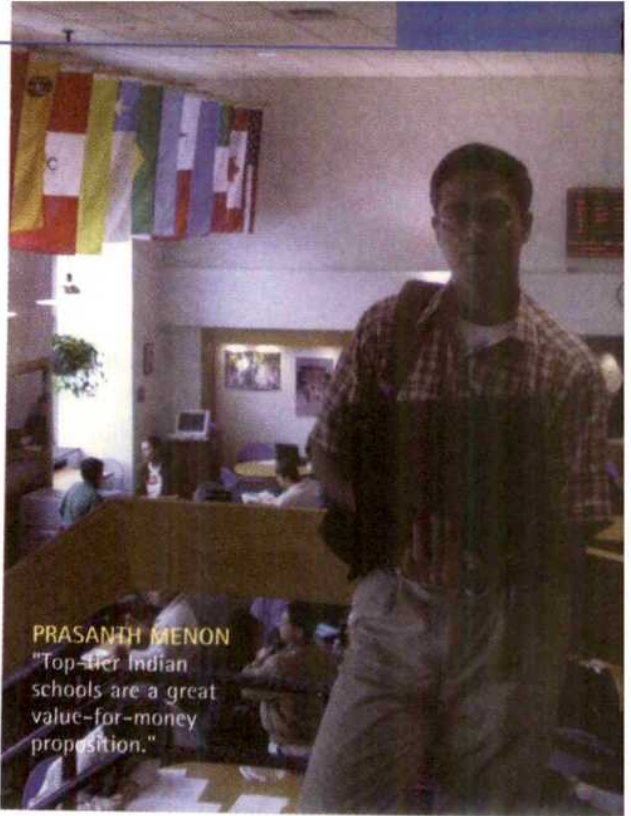
- International mobility
- Marketing career abroad
- Functional switch, especially from marketing to finance
- Economic slowdown

"Most jobs in the US are a result of networking and the B-school provided me access to the network that I need in the short- and long-term," says Narasimhan. She completed her MBA from Goizueta Business School in 2002 and is currently with Deloitte Consulting.

M.L. Shrikant, honorary dean of SP Jain, says that there are two reasons for doing the second MBA: one substantive and the second non-substantive. "The substantive one is that as in the case of all other institutional settings, the US institutions are far more advanced than those in India. Job prospects, i.e. employability, particularly if one wants to work with an MNC or in the US, is far higher if one gets an MBA from, say, a top 20 or 30 US B-school." According to Shrikant, the non-substantive one has to do with brand perception, which is built on past performance.

If the second MBA is such a hot ticket to an international career, why go for an Indian degree in the first place? Good question. The answers are equally compelling.

Some people feel that if financing wasn't a glitch, they might have looked at a global MBA from Day One. "The fact that today I have a full loan available to maintain family



PRASANTH MENON
"Top-tier Indian schools are a great value-for-money proposition."

and pay tuition without a guarantor is what makes the (second) MBA possible," says Jha.

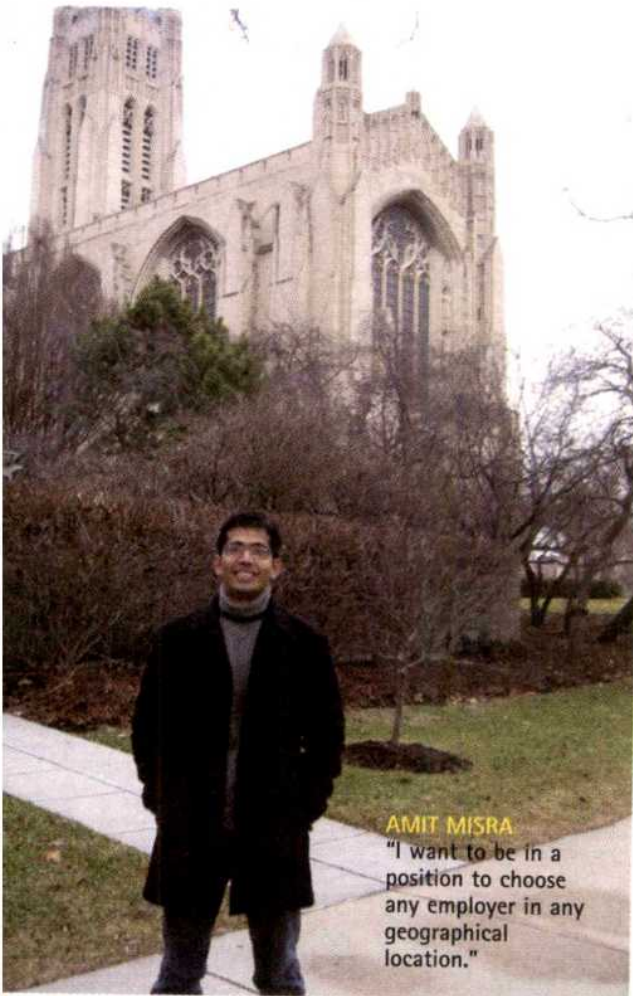
"Indian business schools, especially the top-tier ones, were and continue to be a great value-for-money proposition," says Prasanth Menon, an XLRI alum who is now studying at the University of Michigan Business School.

But others aren't too sure that shortage of funds is the only thing that stops Indians from going for a global MBA in the first place. Work experience – or lack of it – is often the deciding factor. "I did not even apply to a top US B-school because I just had two years of work experience," says Prakul Kaushiv, a second-year student at IIM-A. "That's usually not enough to get into a good B-school abroad."

So is an Indian MBA degree no better than a work permit for an Indian job – a means of getting relevant work experience before you go abroad? Certainly not. "The IIM rigour prepares you well (especially) if you plan to stay in India and work in marketing or similar areas where localisation is a priority," says Narasimhan. Misra agrees. "The opportunities top Indian B-schools provide within India are unparalleled and there is no advantage of doing a global MBA."

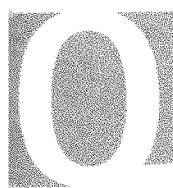
Most students who do a second full-time MBA programme abroad also feel one shouldn't knock the value of the first. Rao says he doesn't at all regret going to SP Jain. "It gave me a good foundation and helped me do the second MBA faster as it recognised the value of my first degree."

Jha says that the second-MBA trend could well be reversed in the US now that the environment is becoming tougher. But, for now, the gauntlet has been thrown by foreign B-schools. Will the Indian schools pick it up? ■



AMIT MISRA
"I want to be in a position to choose any employer in any geographical location."

We foster our own Brand



Most schools send out a strong message that only students who share their core values have a chance of getting admission. What are Emory's core values?

Jones: At Goizueta, we do favour students who share our goal of global principled

leadership and who aspire to live by our seven core values of community, team, diversity, rigour, accountability, integrity and courage. Our values guide our behaviour in the MBA programme and the programming around our curriculum.

Businessworld: Is there any part of the application – essays, recos, resumes or GMAT scores – that is given more weightage while assessing international students?

Jones: For all our candidates, the interview is the most important factor in the admission process, followed by the quality of the applicant's work experience. The next important factor is the applicant's academic performance where we look for first class/division and B.Com (Honours) and the applicant's GMAT score. We do not require a TOEFL score from Indian candidates.

Businessworld: What are the strengths, or weaknesses, of applicants from India?

Jones: Candidates from India have consistently been very competitive in recent years. On the whole, they have an outstanding quantitative preparation (much needed in a rigorous programme) and have had excellent work experience. We haven't experienced any noticeable weaknesses in them.

Businessworld: Which deadline – first, second, third, or the late round – should an international student ideally shoot for?

Jones: We encourage all our international students to apply by the international student deadline (for 2003, it was 1 February). All applicants with completed files by that date are considered for merit-based scholarships and we do award wonderful scholarships to Indian applicants. We will consider international applicants after this deadline but scholarship consideration isn't guaranteed.

Businessworld: What is the kind of work experience that

you value most? What are the opportunities and challenges a prospective student must actively seek? Does Emory admit candidates without work experience?

Jones: We value all work experience. However, applicants must demonstrate the value that he or she added to the organisation. The value added is just as important as the organisation itself – whether it is a multinational or family business. We do not accept candidates who have no work experience.

Businessworld: How important is an interview in the admission process? Do you hold interviews in India every year?

Jones: An interview is imperative for those who are interested in the Goizueta Business School. Applicants may attend interviews in one of these three ways:

- (1) Representatives of the Goizueta Business School travel to both Mumbai and New Delhi for the interview;
- (2) Once the applicant's file is complete, the Admissions Office will select qualified competitive candidates for a phone interview;
- (3) Applicants are welcome to travel to Atlanta for a 'Day in the Life of Goizueta' visit.

No one is offered a spot in the class without a personal interview.

Businessworld: What would you say is the most compelling reason for international applicants to join Emory?

Jones: Because we are a family. We have made a conscious effort to keep our entering class small (150-175) each year in order to foster our own Goizueta brand of community. Our small class size enables each member of the community to excel, to get to know one another, to get to know and work with the faculty, to participate within and outside the classroom, to experience a flexible and customisable programme and to fully experience the culture.

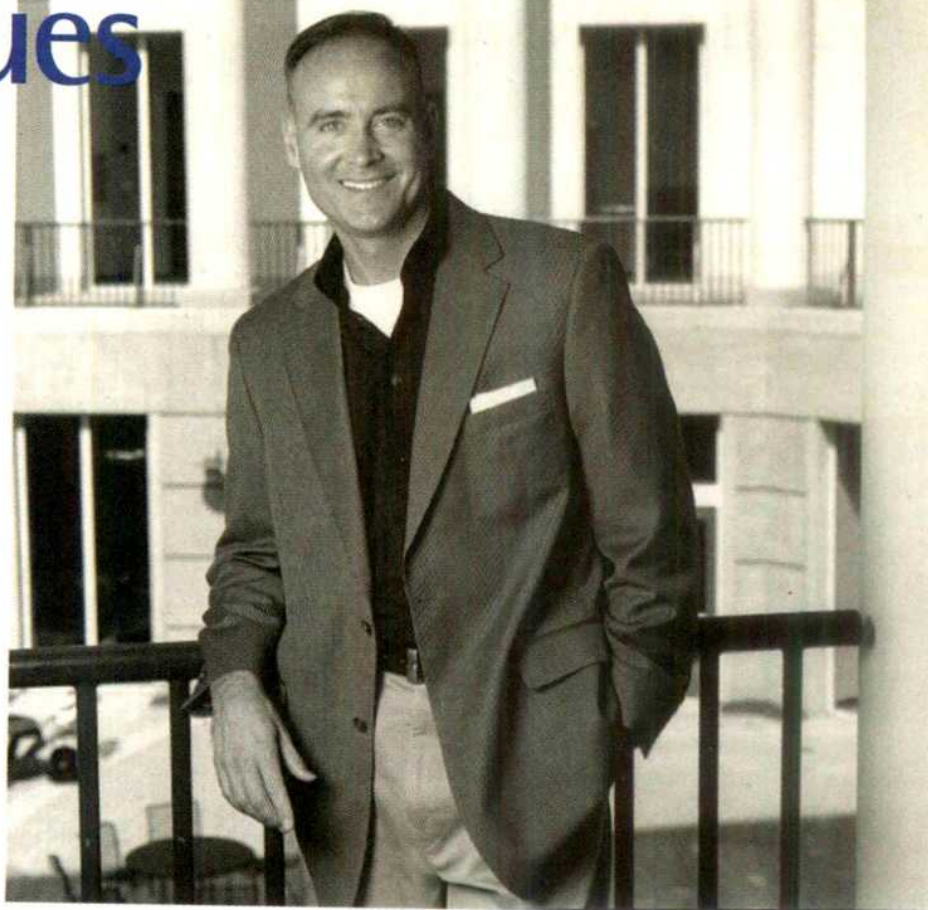
Businessworld: Would you recommend that candidates look at the rankings brought out by publications like *BusinessWeek* and *WSJ* before shortlisting a particular B-school?

Jones: We encourage people to look at all the rankings as they focus on different aspects of the MBA programme. Each of the 'Top 25' schools offers a strong educational ex-

"Spend time on the essays — tell us who you are, how you'd fit with our community, and how you can make a difference in the world."

of Values

You'll find rigour, relevance, personalised experience, and world-class access to business at Goizueta. The school is host to star speakers like Warren Buffet, and boasts of top-tier professors and strong, innovative programmes. An interview with assistant-dean and director of the MBA programme at Goizueta, B. Kembrel Jones



perience and exposure to the top firms in the US. However, each programme has a distinctive personality and we strongly encourage applicants to visit each campus they are considering and, if a visit is not possible, to ask each school to provide a list of current students who can speak about their experience. We think this issue of 'fit' is critical.

Businessworld: How can an Indian student, who has already got an MBA from a premier institute in India, benefit from your two-year full-time programme?

Jones: Such students tell us that it is a different experience both inside and outside the classroom. We have also had successful students who decided to enroll in our full-time one-year MBA programme where the student studies at Goizueta for 12 months and receives his/her MBA.

Businessworld: Most schools want to offer a 'global' general management programme. To your mind, what makes Emory's programme truly global?

Jones: Our people! Every year, one third of the student body is international – representing 40 different countries from all over. Thirty percent of our faculty are international and bring a global perspective to the curriculum that includes a global course requirement.

Finally, our study abroad programme boasts agreements

with 35 top international B-schools. Our LEAD Week international study module sends 70% of the study body on business culture immersion treks each January to countries such as India, China, Brazil, South Africa, Thailand and Singapore.

Businessworld: What is the most important aspect of your school's curriculum that every international student must know about?

Jones: Our programme focuses on developing business leaders who believe in value-based leadership, who are committed to strong communication skills and who are team players. We are looking for applicants who have a dream and are willing to commit the energy and time to fulfil that dream.

Businessworld: And finally, any tips specifically for Indian candidates?

Jones: The most important advice for Indian applicants is to spend time on the essays so that we know who you are, why you would fit into the Goizueta community, what you could contribute to it, and how you want to make a difference in the world. Without a face-to-face interview, the essays are very important to differentiate the applicant from the rest of the applicant pool. ■

Useful Links to A Wealth of Information

STUDY IN THE US

 **USEFI (United States Education Foundation in India)**
Provides educational counselling services to students interested in higher education in the US.

Fulbright House
12, Hailey Road
New Delhi 110 001

 info@fulbright-india.org

Phone: 011 23328944

Fax: 011 23329718

WEBSITES:

 www.fulbright-india.org

 www.petersons.com offers services like help with essays and tips on test preparation and it allows you to search for the colleges and universities that you are looking for.

 www.usastudyguide.com

Explains what the US has to offer international students and provides links to featured schools and some services like help with essays.

 www.gradschools.com

A good resource for grad school searches.

 www.gradfortune.com

A comprehensive site which offers students step-by-step guidance on gaining admission and financial aid in graduate schools in the US and about graduate programmes of their choice.

STUDY IN AUSTRALIA



IDP
(Integrated Development Program)
It provides counselling services to students interested in Australian studies.
Flat No. 513-515, 5th Floor
International Trade Tower,
Nehru Place, New Delhi 110 019
Phone: 011 26213504, 26467535,

26284404, 26429767, 26215973

Fax: 011 26481262, 26440627

 info@delhi.idp.com

Country Director: Henry Ledlie

WEBSITES:

 www.idp.com

 www.detya.gov.au/highered/ausunis.htm gives a list of higher education institutions in Australia by territory, alphabetically and by abbreviations.

 http://learning.indiatimes.com/study_abroad/scope/aus/aus_orhe.html
Gives information on application process, links to tests and other services.

 www.australiangraduate.com
Provides details on schools, courses offered and a picture gallery among other things.

 www.studyoverseas.com/australia/auscolls.htm

Apart from an Australian college and university search, this website gives a brief description of various locations to help you decide which college you would like to go to and a complete list of homepage links to all institutions of higher education in Australia.

BOOKS:

 **MBA programmes at Australian universities: A guide to graduate management education**

By Michael Dwyer

Publisher: Financial Review Library;
2nd Edition

 **Insight into IELTS Student's Book**
Updated edition: The Cambridge IELTS Course

By Vanessa Jakeman and Clare McDowell

Publisher: Cambridge Univ Pr (Paperback); 2nd edition (November 2001)

 **The IELTS Tutor (Book and CD Kit)**
By Lloyd Jacklin, Roslyn Jacklin
Publisher: Cross-Link Productions;

(October 1, 2001)

STUDY IN THE UK

 **The British Council**
The British Council is the UK's international organisation for educational opportunities and cultural relations.
British Council Division, British High Commission, 17 Kasturba Gandhi Marg, New Delhi 110 001.

Ph: 011 23711401, 23710111/555

Fax: 011 23710717, 23719616

 delhi.askaquestion@in.britishcouncil.org

WEBSITES:

 www.britishcouncil.org/india.htm

 http://learning.indiatimes.com/study_abroad/scope/uk/uk_index.html
provides information on the application process, costs involved and financial aid, etc.

 www.ukstudy.com

As authorised agent for the schools, it handles enquiries and bookings on behalf of the schools for free, helps you book a course, get the paperwork for your visa, arrange transfers and will even act as your contact in the UK.

 www.hero.ac.uk

Gives maps, universities and college profiles along with information for international students applying to colleges, and guidance and support.

 www.ukcoursefinder.com

Helps you search and choose the course that you want and help on higher education and advice.

STUDY IN CANADA

WEBSITES:

 www.aucc.ca/english/dcu/highereducation

Has an overview of higher education and related higher education websites.

 www.aucc.ca/en/acuindex.html

Has a directory of Canada's universities and links to them.

👉 www.sic.hr/eng/canada.htm

Gives information on the tests and preparation for these tests, financial aid and scholarships and a search engine for information on Canadian universities and colleges.

👉 www.imahal.com/education/canada/biz/list.htm

Contains links to many business colleges in Canada, a college finder and information about student associations.

📖 Guide to MBA Schools in Canada 1995-97

By Catherine Purcell

Publisher: ECW Press; 3rd edition (March 1997)

STUDY IN EUROPE

WEBSITES:

👉 www.sic.hr/eng/europe.htm

Gives a list of universities and a link to European University Association.

👉 www.graduateshotline.com/europe/

Has a college finder, a list of recommended MBA programmes in Europe and links to these colleges plus free counselling and news letters.

👉 www.centrorisorse.org/estia/edu-head.html

Gives links to universities, academies and other institutions of Higher Education in Italy and a database on higher education in Europe.

👉 <http://195.83.249.62/europedu/gb/orange/index2.html>

Allows you to search for external links by region and provides general information on education in Europe.

📖 Which MBA?: A critical guide to programmes in Europe and USA

By Jane Rogers

Publisher: Economist Publications

DISTANCE LEARNING

WEBSITES:

👉 www.dwge.com

DirecWay Global Education gives information on distance learning MBA courses.

👉 www.britishcouncil.org.in/klc/

online_courses/mgt_durham.htm

Details about online MA in management from University of Durham, UK.

👉 www.uoonline.com

University of Phoenix Online
3157 E Elwood Street
Phoenix, AZ 85034

✉ online@apollogrp.com

COMMON RESOURCES

Official GMAT website:

👉 www.mba.com/mba

BOOKS:

📖 Which MBA?: A critical guide to the world's best programmes

By George Bickerstaffe

📖 The Official Guide for GMAT Review (9th Ed) ETS

Publisher: Warner Books

📖 How to Write an Outstanding Personal Statement

By Linda Abraham

Publisher: Accepted.com

Provides a 13-step programme for writing your personal statement and a few sample essays.

📖 Getting the MBA Admissions Edge - US edition

By Alain de Mendonca and Matt Symonds

Includes comparisons of the schools and advice on choosing schools, writing the essays, interviewing, and preparing for GMAT. Also has in-depth profiles of 10 top business schools in US.

📖 Essays that Worked for Business Schools

By Boykin Curry (Editor)

Publisher: Fawcett Books

A collection of business school responses to successful application essays. Also has succinct suggestions on writing the essays.

📖 How to Get into the Top MBA Programs - Second Edition

By Richard Montauk

Publisher: Prentice Hall

An exhaustive study of MBA admissions, this book includes everything: GMAT preparation, essay writing, interview tips, even dealing with the

outcome - acceptance or rejection.

📖 Business School Admissions Advisor

By Murphey, Lewis & Kaplan
Publisher: Simon & Schuster

Starting with 'Should You Get an MBA' and going through choosing schools, the evaluation process, essays, interviews, financing your MBA, and special situations, the Advisor presents a great overview of the process.

📖 Instant Recommendation Letter Kit

By Shaun Fawcett, MBA

Publisher: Final Draft! Publications

It is the one-stop information source for writing all types of letters of recommendation.

📖 The Elements of Style, 2nd Edition

By William Strunk Jr., E.B. White & Roger Angell

Publisher: Allyn & Bacon

Contains basic rules of English grammar, punctuation, composition, and style.

📖 MBA Programs 2002

Publisher: Peterson's, a division of Thomsons Learning Inc.

Gives information on about 2,900 MBA and Master's Level Business Programs in over 800 institutions.

📖 Cambridge Preparation for the TOEFL® Test Book with CD-ROM

By Jolene Gear (Author), Robert Gear (Author)

Publisher: Cambridge Univ Pr (Trd); 3rd edition (March 2002)

Includes over 200 skill-building exercises fully updated for the new exam, six hours of listening material on cassette or audio CD, a complete grammar review, and an in-depth mini-writing course.

📖 How to Prepare for the TOEFL

By Pamela J. Sharpe

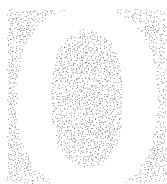
Publisher: Barrons Educational Series; 10th edition (November 9, 2001)
Comes with with a CD-ROM presenting eight model exams and a completely up-to-date computer adaptive exam.

📖 TOEFL Test Preparation Kit (Book & CD-ROM)

By Educational Testing Service. ■

Know the Ropes

VINEET GUPTA & VANDANA ARORA



KAY. You're convinced a foreign MBA degree is just what your career needs. Now comes the tricky part – the admissions process. The admissions cycle can take the best part of a year so it makes sense to get cracking right away. We present a rough and ready checklist of what you need to do:

APPLY EARLY

Most schools have 'rolling admissions', which means that the admissions committee doesn't wait for the official deadline to start reviewing applications. Your application is likely to receive more time and consideration if it arrives before the majority of other applications. Applying early in the admissions cycle is the signal that tells the admissions committee that you are serious about the programme.

You may also increase the chances of receiving scholarship and financial aid by applying early. This strategy gives you ample time to relook at your options if your request for scholarship funds is rejected or if you get less aid than you had hoped for. And finally, you get more time to arrange for transcripts and recommendations.

GET THAT SHORTLIST READY

It's a good idea to shortlist at least five B-schools by the GMAT test date. There are more than 1,500 graduate management programmes worldwide and you must home in on the handful that really interest you. Apply only to programmes that you would be willing to attend if you get through.

Do include at least one school in your shortlist that you think you are more than qualified to attend on the basis of your work experience, expected test scores, and undergraduate grade point average.

You can either download the brochures and application forms from the Net or send an email to the schools requesting a hard-copy. The application itself can be filled online. Nowadays, many foreign B-schools encourage you to send applications – excluding documents like transcripts – over the Net.

The application forms are quite extensive and you need to invest a great deal of thought and time in filling them out. Trust us: it's worth the extra effort.

TRANSCRIPTS

An academic transcript lists out the courses taken (with results) and an explanation of the grading system. These documents need to be prepared and sealed by the university from where you earned the degree. If you have more than one degree, make sure you give yourself enough time to get transcripts from each college or university.

RECOMMENDATIONS

Letters of recommendation are taken very seriously by schools. Always get the recommendations from people who know you well. They can be your lecturers, boss, or anybody else who is in a position to judge your professional ability. They should also be in a good position to assess your intelligence, character, strengths and weaknesses, managerial ability and potential to succeed in a B-school.

As a general rule, recommendations from employers and colleagues who can provide specific information about your work experience work best.

Normally, two to three letters are good enough. Give the people writing the recommendations plenty of notice – and a clear brief on what a particular school is looking for in a candidate.

PERSONAL ESSAYS

Most B-schools ask you to write anything between three and six essay questions. A typical essay asks for an illustrative situation in which your leadership and organisational skills come to the fore. The essays give you an opportunity to differentiate and market yourself.

Your essays should ideally touch on how the attributes of the school fit with your own abilities and interests. This will show that you have done thorough research. You can also explain your interest in a particular concentration, as well as its relevance to your post-MBA career plans.

Make sure the essays are to the point, specific, and

consistent with the rest of your application (especially the recos and resume) and address the particular school and programme in question. The admissions committee does not know you. Information that is obvious to you or your friends may not be obvious to them. Make things as clear as possible.

Get someone to read your essays before you send them out. It is often easier for another person to critique your work and catch any mechanical errors than it is for you.

INTERVIEWS

Interview policies vary from school to school. Some programmes require one. Others grant interviews by invitation only, while still others do not hold interviews at all. Be sure you understand interview requirements and how the interview will be used in the admissions process.

You will be asked to either appear for an in-person interview (the admissions committee or the alumni of top B-schools conduct interviews in India) or do a telephonic interview. Don't underestimate the importance of the inter-

The Application File

Application form

Transcripts of all degrees completed

Personal essays

Letters of recommendation

Details of work experience (if any)

Application Schedule

Test prep: April-Sept

Test date: August-Oct

Sending of application forms: Nov-Jan

Acceptance letters: Feb-June

Visa application: June onwards

Revised INS Norms

Student visa (F1 visa) given to international students is valid for the period of study (including the grace period). An F1 visa applicant has to get a completed Form I-20 or IAP-66 (Certificate of eligibility for non-immigrant student status for academic and language students) from a school.

According to a new Information and Naturalization Service (INS) rule, w.e.f. 15 February 2003, all forms need to be issued through the Student and Exchange Visitor Information System (SEVIS). SEVIS forms have barcodes on them so that INS can keep track of foreign students getting admission in the US.

view: find out about the school from its site, online discussion boards and alumni before the interview.

EXTRA-CURRICULAR ACTIVITIES

The applications don't just ask for your professional resume, they usually ask you to list extracurricular and community activities as well. Such activities tell the admissions committee about your team skills, your sense of social responsibility and your character. Emphasise activities that show multitasking, social responsibility and leadership.

Talk about your personal contributions since the committee is interested primarily in what you did to make a difference. And do think twice before listing religious or political affiliations – it could lead to a biased decision.

So do your research – and best of luck. ■

In a League of Their Own

The Ivy League consists of eight private universities located in the north-eastern part of the US:

	<i>BusinessWeek</i> Rank	<i>Wall Street Journal</i> Rank
Dartmouth College (New Hampshire)	11	1
Harvard (Massachusetts)	3	9
Brown (Rhode Island)	–	–
Yale (Connecticut)	14	8
Columbia (New York City)	7	10
Cornell (Upper New York State)	11	19
Princeton (New Jersey)	–	–
Pennsylvania (Philadelphia)	–	–

*Rankings are for the MBA programme.

These together comprise the Ivy League. Harvard was established in the 1600s, Cornell in the 1800s, and the other six were established in the 1700s. The origin of the name 'Ivy League' is somewhat obscure, but may have arisen from a now-defunct football league formed by the eight universities. According to a story on the Ivy League 'official' website, the 'Ivy' part of Ivy League is a reference

to the plants that climb all over many of the old campus buildings at each school. The term was inspired by a sarcastic comment from a sports writer assigned to cover a Columbia-Pennsylvania football game. When he received his assignment, he grumbled about "watching the ivy grow". Another reporter overheard the comment and dubbed the prestigious group of schools 'The Ivy League'.

All About GMAT

PADMA PARNA GHOSH & SUNEET SINGH KOCHAR

ONE of the most interesting differences between applying to an Indian school and applying abroad – apart from the killer costs – is the procedure. In India, you have to select the school first, and then take the exam. But you can take the Graduate Management Admission Test (GMAT), which is a requirement at many business schools across the world, even before you decide where to apply. Of course, you can save good money by short-listing the schools before you sit for the exam (you can send the schools free to five schools at the time of exam).

This is not the only thing that makes GMAT unique. Here are the most-frequently asked questions about GMAT:

What is GMAT?

GMAT is required for admission to most MBA programmes in the US, Canada, UK and Australia. It is conducted by the educational testing service (ETS) and helps business schools assess the suitability of applicants for advanced study in business and management.

Now even some Indian B-schools such as IIM-A and FMS accept GMAT scores from people who cannot take their test in India. Indian School of Business accepts only the GMAT score.

Who conducts the GMAT?

GMAT is conducted by the Educational Testing Service (ETS) under the sponsorship of the Graduate Management Admissions Council (GMAC). The council is composed of representatives from leading global business schools.

How is GMAT different from the Scholastic Aptitude Test (SAT)?

The same organisation prepares both GMAT and SAT, so they share the same philosophy. But GMAT is a much tougher test and contains question types that are not found in SAT.

What does it test you on?

The GMAT measures basic verbal, mathematical, and analytical writing skills. The objective-type questions are on maths, reading comprehension, usage (sentence correction) and logic (critical reasoning).

What are the eligibility requirements?

You should hold a valid passport. You don't need to be a graduate in order to take the test.

How much should I score?

A score of 650 and above is considered good (the maximum score is 800). Although the top 10 schools usually have a median score of 680, the range can be significant.

What is the validity period of the score?

Five years.

How often can I take the exam?

You can take the exam once in a calendar month for a maximum of five times.

If I have more than one score, which one will the schools consider?

The schools can consider any of the following: a) most recent score; b) highest score; c) average of all the scores. It depends on the school's policy.

When is the exam held?

The exam is held throughout the year.

Where is the GMAT held in India?

There are centres in Ahmedabad, Allahabad, Bangalore, Kolkata, Hyderabad, Chennai, Mumbai, New Delhi and Thiruvananthapuram.

How much does it cost?

The charges are \$200.

When and how do I register for the test?

You have to apply at least 21 days in advance. However, with a credit card you can apply even two business days in advance (subject to availability).

Can I push back the exam date?

Yes, but you will be charged \$40 for rescheduling the exam. You also have to inform the centre at least seven days before

the test date.

When do I get my scores?

The unofficial scores for the verbal and quantitative multiple-choice sections, along with the total score, are available immediately after you complete the test.

The official GMAT scores reports, which include the analytical writing assessment (AWA) score, will reach you – and the schools you choose at the time of test – approximately two weeks later.

Can I cancel my scores? What happens if I do?

When the exam ends, you are given a choice of cancelling the score without seeing it. If you cancel your score:

- It cannot be reinstated.
- You will not receive a refund for the test.
- A 'score cancellation' notice will be sent to you and the schools you selected as score recipients.
- The score cancellation will remain a part of your permanent record and will be reported on all future score reports.
- As the cancellation will be reported on all subsequent scorecards, it might not leave a good impression on the admissions committee.

How do I pass on my scores to the schools?

On the day that you take the GMAT, you will be given the chance to select up to five schools, which will receive your score report. Your basic test registration fee covers the release of your scores to the schools you select on test day only. Once you have made your selection, you will not be able to change or delete the list of schools you have selected. If you do not choose your five score recipients on the day of the test, you will have to pay \$25 per school to send your scores later.

Decide on the schools well before test day. See the Institution Code List on www.mba.com for a complete list of authorised GMAT score report recipients. Make a note of the four-digit code given beside each of the five schools you have selected and bring a list with name and code of each school with you to the test centre.

What do I pack for test day?

Bring your passport and a secondary form of identification. Also don't forget to carry the list of a maximum of five schools to which you would like to send your GMAT scores. Scratch paper and pencils are available at the test centre.

How important is it to get a good score?

Very. For instance, you might be able to compensate for a mediocre undergrad academic record with a higher GMAT score. It can also help you snag a scholarship.

Can a person with a physical disability take the test?

The Graduate Management Admission Council provides services and facilities for people with disabilities. For details visit www.mba.com

Do I need to take TOEFL along with GMAT?

TOEFL is required at most schools (some also take the IELTS score). ■

TOEFL

Language Matters

ALKA JAIN

TOEFL measures the ability of non-native English speakers to understand and use standard North American English. Along with your GMAT score, most B-schools ask you to submit your TOEFL (Test of English as a Foreign Language) score, unless you can wrangle a waiver.

It's usually easier to just take the test.

You can register for the test by completing the registration form and remitting a payment of \$110. Full details are available at <http://www.toefl.org>. The official scores come about two to five weeks after the test and are valid for up to two years after you take the test.

The four-hour-long exam consists of four sections:

- a) Listening comprehension: Tests your understanding of spoken English. You have to listen to conversations and lectures and answer questions based on the audio bytes.
- b) Structure and written expression: Consists of questions that test your knowledge of important structural and grammatical elements of written English.
- c) Reading comprehension: This section contains passages of varying difficulty levels and questions that assess your understanding of written English.
- d) Test of written English: Tests your ability to write a lucid and coherent essay on an assigned topic. Scoring is done on the basis of grammar, writing style and, of course, content.

Test-taking tips

- In listening comprehension and structure and written expression sections, your answer to one question determines how tough the next question will be. Tough questions generate higher scores as compared to easy ones. The first few questions are crucial in determining how you will be rated, so spend more time on them.
- To max the listening section, get acquainted with the accent and the idiomatic phrases used in North American English. If you use a book for test prep, pick one that comes with sample audio tapes or a CD.
- Never go for the first choice that seems good. TOEFL deliberately uses misleading answer choices to confuse you.
- While tackling the reading comprehension section, remember that many words have more than one meaning. The questions concern the meaning of a word or phrase in the context of a particular passage.
- Remember that the quality of expression is as important as the quality of thinking in the essay.
- Familiarise yourself with the directions to each section before the actual test. ■

Write Your Way Through AWA

VANDANA ARORA

ALL GMAT test-takers are required to take an Analytical Writing Assessment (AWA) test. This section gives ETS (and the admissions committee) the chance to evaluate a writing sample that is unequivocally the applicant's own work.

The computerised testing system randomly selects the essay questions from its large database. All the topics are designed to measure the test taker's ability to think critically and effectively communicate ideas. The 60-minute writing assessment forms the first part of GMAT and consists of two 30-minute essays: 1) analysis of an issue; and 2) analysis of an argument. You can either write on paper or use a very simple word-processing programme on a computer.

AWA tests the candidate on a range of subjects. Therefore, specific knowledge of business or of any other area is not mandatory – only your ability to write well and analyse effectively is assessed.

The graders are looking for the following in your writing:

1. A critique of the argument or analysis of the issue
2. Ideas developed in a rational, persuasive manner with relevant examples
3. Organisation
4. Grammar and syntax.

In analysis of an issue, a general topic is thrown up. You can address the issue from any perspective you wish, but you have to provide relevant reasons and examples to support your views.

There is no single 'correct' answer here: you simply have to draw on your own experiences and knowledge and write why you agree or disagree with the position you have taken. You should start with an introductory paragraph that explains what you are going to say. Then go on to logically develop the three or four ideas in support of your view. The topics are not very controversial, and there is no reason to worry about offending the grader with a personal opinion.

Finally, in the conclusion, summarise the main points and tie the conclusion back to the introduction.

The 'argument' question presents a different challenge – you will be asked to critically evaluate the logic of the argument, rather than to agree or disagree with the position it presents. You should be able to recognise factors that would strengthen the argument, and also identify reasoning flaws in the argument. For example, you are expected to spot any overreaching generalisations that weaken the argument.

In both the written assignments, it is quite acceptable to acknowledge the limitations of one's arguments and concede the validity of the opposing point of view.

GMAT test-takers receive four scores: three based on their performance in the multiple-choice questions and one for the essay writing. The latter score is on a scale of 0-6, in half-point increments. A '6' represents a cogent, well-articulated analysis of the complexities of the issue or argument and demonstrates mastery of the elements of effective writing. Schools typically consider a 4.0 or 4.5 to be acceptable and anything higher is a superior performance.

Most test-takers put off any earnest attempt to prepare for this section, focusing instead on the exam's multiple-choice sections.

Since ETS has a pool of hundreds of questions – and happily shares it – you might feel you cannot prepare for every single one. But these general guidelines will still come in handy:

- The written section is not designed to check your vocabulary, so avoid using impressive-sounding, 'big' words.
- Vary the lengths of sentences – it makes for easier and more appealing reading.
- Don't ignore the simple rules of grammar. If an essay is grammatically flawed, most people, graders included, will conclude that the essay's logic and structure is incorrect.
- Time management is vital. Before you begin writing, prepare a rough outline on the scrap paper. This is your 'brainstorming' time – at the end of it, you can look at what you have written and make changes.
- The next step is to number the remaining thoughts in order of importance to the issue or argument. You now have a logical outline around which to structure the essay.
- AWA is graded by a person as well as a computer programme called the 'e-rater'. The candidate's score is the average of the two grades. The e-rater is probably more predictable: it looks for grammar, spelling, usage, sentence length, stylistic variations, and clear structure. So this is the minimum you must aim for.
- GMAT readers are objective – so applicants can be sure that their personal views (as long as they are not too extreme) will not fetch them a lower score.
- Use personal experiences and illustrations.
- Don't adopt a very informal way of writing. Avoid colloquialism, jargon, and sarcasm. ■

A fantasy that has allured the youngsters and is bringing about revolutionary changes in our country's education stream is more and more students opting for education overseas. Campus Abroad, a Chennai based overseas educational counselors & promoters are in the business for about quarter century and have a vibrant

counseling and personal advice to students through their massive presence in major towns and cities. Dr Paul has single handedly counseled more than 60,000 students and has overseen personally about 6000 make their way to various Universities across the globe. A significant aspect about them is

help them, Campus Abroad initiated for the first time in the country a global



distance learning program in association with Lincolnshire & Humberside

Make your way Overseas: CAMPUS ABROAD.

relationship with about 83 universities in about 15 countries that is helping many aspiring students dream come true. Started in a small way in the late 70's with small

classifieds in the dailies have clearly earned unshakable reputation in the country. Campus Abroad has achieved many rare milestones in making lives for many under the stewardship of



Dr. C.B. Paul Chellakumar
GROUP CHAIRMAN

Dr. C.B. Paul Chellakumar, Group Chairman. This organization offers expert

that they also enable students from the economically weaker segments to pursue foreign studies. "Good students need step by step guidance and we are catering to the needs and demands of students with varied interests. We don't look at this as mere business but its more on personalized humanitarian grounds and that's the reason why we are today a longstanding banner ridding on the strengths of word of mouth and references from our former students as well apart from the regular business streams," says Dr Paul.

Today the buzzword in global economy is MBA and the professionals are seeking to train themselves in the latest management techniques in business and to

University. CA had taken over and achieved the marketing area of IIBM [International Institute of Business & Management] in association with Heriot-Watt University's Edinburgh Business School. "It is not what degree students earn, their future depends on where they earn from," says Paul with a guiding note. He also feels that going abroad for education makes one mentally and physically very strong as they are exposed to realities and hardships of life and that CA would standby their students till the time they complete their course. CA through its multifarious wings continues to chart a new territory in the realm of education in India. ■

Thiagarajar School of Management (TSM), Madurai has established itself in the Southern part of India as

available resources are used to provide each student with quality education facilities. Set in a sprawling 11 acre estate,

courses. Over the years, students from TSM have earned the school a sound reputation, which is reflected in the

Thiagarajar School of Management

one of the premier citadels of learning, rendering creditable service to the cause of higher education.

TSM was founded in 1962 and is the oldest management institution of the south. Right from inception, the school has firmly believed that there is no substitute for good education, and all



TSM offers students not just state of the art facilities, but also a committed and highly experienced faculty.

TSM has a separate placement cell vested with the responsibility of facilitating in employment opportunities well in advance of the students completing their

excellent track record of the placement cell. Faculty members engage in research activities, which enhances the indigenisation of professional know-how. The insights gained from consultancy involved in extracurricular activities that enhances their learning process. TSM believes in value based selection and development of professionalism. ■

Winning the Numbers Game

PRINCE TIWARI & AMIT GOYAL

G MAT math questions test your knowledge of arithmetic, basic algebra and geometry. The questions are either the regular problem-solving type or on data sufficiency. You may be familiar with the former category, but data sufficiency questions are unique to the test. To get them right, very often you don't even have to do any complicated calculation – you only have to get a hang of whether or not a particular problem can be solved with the given data.

Both types of questions are mixed throughout the section. There is no fixed syllabus and the questions are based on topics that are covered till Class X (excluding trigonometry). The only questions from higher-level maths are on permutations and combinations, probability, co-ordinate geometry, statistics and inequalities.

The databank of GMAT maths questions has approximately one lakh questions of varying levels of difficulty. Your answer to each question will determine the difficulty level of the next. If you answer the first question correctly, the next one will be a bit more difficult. The difficulty level keeps on increasing as long as you answer correctly. As the software zeroes-in on your approximate score pretty early, it is crucial to get the first few answers right.

PREP STRATEGY

Usually, two to three months of preparation is sufficient. Before starting the tests, brush up the basics. Concentrate on factors, primes, integers, inequalities, multiples, divisors and basic maths. You should also take paper-based tests apart from the computer-based tests. Practise as much as you can – the more, the better. It is necessary to familiarise yourself with computer-based tests before the actual exam as the format can pose problems for a new user.

Take one computer-based test per day during the last week. Don't worry about your score, as the basic idea is to get practice and learn how to take a computer-based test for three hours at a stretch.

TEST-TAKING TIPS

● Many of the tougher-looking problems in this section can be solved using logical short-cuts.

Let's take an example: A box contains 100 balls, numbered from 1 to 100. If three balls are selected at random and with replacement from the box, what is the probability that the sum of the three numbers on the balls selected from the box will be odd?

- a) $1/4$ b) $3/8$ c) $1/2$
d) $5/8$ e) $3/4$

If you think mechanically, then you will probably use the binomial expansion to get the answer. On the other hand, logical thinking tells us that the sum of the three numbers can be either odd or even since each number is equally likely to be drawn. So the probability of the sum being odd or even should be half. The answer is (c).

- In many cases you don't have to calculate exact answers – try to take approximations.
- Don't try to finish early if you are good at maths – you don't get extra marks for finishing early. All you can do with the saved time is see the last question again and again. Always take a few seconds to crosscheck your calculations.
- If you are running out of time and have still not attempted some questions, then make educated guesses and finish the test. Leaving questions untouched gets you more negative marks than getting them wrong towards the end.
- If you can't understand a question in two minutes, it means that either your approach is wrong or you are missing some important link. It is better to make an intelligent guess and move on rather than wasting time.
- Be particularly careful right at the beginning. The first question is usually easy but the second one might rattle you a bit. Take a deep breath. Look at it carefully. Maybe you are not getting it right. Try plugging values into the question and see if that works. Nine out of 10 cases, it's a deceptive question.

● You might think that GMAT is very unpredictable as it can test you on a range of topics. But if you go through the Official ETS Guide, you will realise that in each of these topics there is a threshold level of difficulty that the test-setter does not usually cross. You can restrict your preparation to this level. ■

Things to remember

- The first five questions in each section carry more weightage than the rest. Spend more time on them.
- The difficulty level keeps on increasing as long as you keep answering correctly.
- There are experimental questions in the test – even if you're doing well, you may suddenly come across a simple question.
- If you are unable to solve a question, try the process of elimination and guess. It is very important to answer all the questions in each section of GMAT.

English: Practice is the Key

PADMA PARNA GHOSH & AKRITA KALRA



CONTRARY to popular belief, you don't need Wren and Martin's *High School English Grammar & Composition* to max the GMAT English section. Here is what you really need: a clear head, confidence and lots of practice.

You will get 41 questions in the English section and 75 minutes to finish them. The questions are of three kinds:

- Sentence correction
- Critical reasoning
- Reading comprehension

As a rule of thumb, allocate one minute to each sentence correction question and one-and-a-half minutes to every question in the other two sections. There is no way you can figure out the exact break-up of the 41 questions into the three types, because the computer throws the questions at you depending on your proficiency.

Let's tackle the sections one by one.

SENTENCE CORRECTION:

These questions test you on grammar, sentence construction and syntax. You have to be careful about verbs, tenses, subject-verb agreement, prepositions, parallelism, pronouns, idiomatic structure and modifiers.

Work with the time-tested elimination strategy, that is, the moment you see an error, eliminate that option. Errors are usually found in:

1. The first word of the options
2. The last word of the options
3. Words after commas
4. One word after/before the underlined portion

You have to learn to read the options, recognise the key difference between them and attack the difference with the relevant rule of usage.

There are some rules that GMAT invariably tests you on. One concerns co-relatives: some pairs of words are always used together. The first word will NEVER be used without the other and the clauses attached to each one of them will be in the same tense, number, etc. A few co-relatives are: just as-so; not only-but also.

CRITICAL REASONING:

The questions in this section test your reasoning skills. This five-point strategy will help you tackle the section:

1. Read the passage
2. Rephrase it in 10-15 words
3. Read the question now

4. Think of your own answer

5. Select an option

Don't read the passage, the question and the options all in one go. If you do so, by the time you reach the third option, you will be thoroughly confused. It is always better to stick to the five-point strategy. This way, you will stay 'alive' to what is being said in the passage and will also be able to form your argument.

READING COMPREHENSION:

This section tests your ability to understand words and statements, understand logical relationships between various concepts, draw inferences from facts and follow the development of quantitative concepts.

There are at most four passages in GMAT of roughly 350 words each. Each passage will be followed by three or four questions. You do not have the option of going through the questions first because you will not get to the next question unless you answer the previous one – and you can't go back to the previous questions once you have got these.

You have to read the passage before attempting the questions. All questions have to be answered on the basis of what is stated or implied in the passage. So prior knowledge of the subject isn't required.

The length of the passage has nothing to do with its difficulty level. And you do not need to be a very rapid reader to solve the questions in time. In case you are running low on time or find the passage extremely difficult, try reading it in bits and pieces and then solving the questions.

The one question that everyone finds difficult is the one which asks about the 'primary purpose of the passage'. Follow the following plan for this particular question:

1. Describe the passage to yourself in 5-6 words
2. Figure out the tone of the passage, that is, positive, negative or neutral
3. Work with an elimination strategy

If you have four questions, then go back to the passage four times. Don't think after the first read that you know the passage – because you don't. Work with 'word matching' in all the questions (word matching means going back to the relevant portion in the passage and re-reading it carefully). ■

Note: Practising on paper is different from practising on the computer. Since the actual test is on the computer, make sure that you start practising computer-based tests at least one month before the exam.

Sample GMAT Questions

Problem Solving

Direction for the questions 1 to 7: Solve each problem, using scratch paper if necessary, and then select the best of the five answer choices given.

1. If x satisfies $|x - 3| + |x - 2| + |x - 1| \geq 6$, then
 - A. $0 \leq x \leq 4$
 - B. $x \leq -2$ or $x \geq 4$
 - C. $x \leq 0$ or $x \geq 4$
 - D. $x \geq 0$ or $x \leq 4$
 - E. None of these
2. x and y are positive integers such that $2x + y = 7$. Then which of the following is a possible value of $4x^2 - y^2$?
 - A. 1
 - B. 16
 - C. 42
 - D. 90
 - E. 95
3. The difference between the circumferences of two circles is 4π . What is the difference between their diameters?
 - A. 0
 - B. 2
 - C. 4
 - D. 6
 - E. 8
4. If $x^7 + ax^5 + 2x^3 + x + 2$ is divisible by $x + 1$, then 'a' must be equal to
 - A. -1
 - B. -2
 - C. 0
 - D. 1
 - E. 2
5. When 75% of a number is added to 75, the result is the number again. What is the number?
 - A. 150
 - B. 175
 - C. 200
 - D. 300
 - E. 350
6. In a round-robin league-type tournament, every participating team plays one game with every other team. If there are 10 teams, then how many games are to be played?
 - A. 10
 - B. 25
 - C. 36
 - D. 45
 - E. 54

7. There are 72 students in a class. Which of the following cannot be a ratio of the number of boys to girls in the class?
- A. 5 : 7
 - B. 3 : 6
 - C. 1 : 2
 - D. 4 : 7
 - E. 7 : 11

Data Sufficiency

Direction for questions 8 to 14: In these questions, each problem consists of a question and two statements, I and II. Mark:

- A. if the question can be answered with (I) alone, but not with (II) alone
 - B. if the question can be answered with (II) alone, but not with (I) alone
 - C. if the question can be answered with the help of both the statements, but not with the help of either statement alone
 - D. if the question can be answered with either (I) or (II) alone
 - E. if the question cannot be answered with the two statements
8. Find the radius of the circle
- I. The ratio of the area to the circumference is given
 - II. The diameter of the circle is $\frac{7}{22}$ of the circumference
- 9.
-
- Is $\triangle ABC$ isosceles?
- I. Coordinates of B and C are known
 - II. Coordinates of A are known
10. The average of 4 numbers is 50. How many numbers are less than 50?
- I. None of the numbers is equal to 50
 - II. Sum of the first two numbers is 150
11. Are the two triangles congruent?
- I. Both the triangles are right-angled
 - II. Both the triangles have the same perimeter
12. What is the probability of A's getting away with the murder of B?
- I. Probability of A getting caught is $\frac{1}{2}$
 - II. Probability of A getting released, if he is caught, is $\frac{1}{3}$

13. What is sum of first n terms of the series?
 I. The n th term is $n(4 + n)$
 II. The 10th term is 10480
14. A boat sails 13 km upstream in 4 hr. What is the speed of the stream?
 I. The boat goes downstream in 2 hr
 II. The boat sails 6 km per hour in still water

Sentence Correction

Direction for questions 15 to 18: Each question has a sentence, part of which or all of which is underlined. Beneath the sentence you will find five ways of phrasing the underlined part. If you think the original sentence is correct, choose the first answer, otherwise choose one of the others.

15. The skin of mammals have a rich supply of glands
 A. mammals have a rich supply of
 B. mammals has a rich supply of
 C. mammals have rich supplies of
 D. mammals has rich supplies of
 E. mammal has rich supplies of
16. The major reasons students give for failing to participate in the political process is that they have demanding assignments and work at part-time jobs
 A. is that they have demanding assignments and work at
 B. are demanding assignments and they work at
 C. are that they have demanding assignments and that they have
 D. is having demanding assignments and having
 E. are demanding assignments, in addition to work at
17. Neither she nor her plight were any longer amusing
 A. Neither her nor her plight were any longer amusing
 B. Neither she or her plight was any longer amusing
 C. Neither she nor her plight was any longer amusing
 D. Neither she nor her plight were any longer amusing
 E. Neither she nor her plight is any longer amusing
18. Throwing a ball into the air, it went over the courtyard wall and was seen falling into a river
 A. A ball thrown in the air, went over the courtyard wall and was seen falling into a river
 B. A ball thrown in the air, went over the courtyard wall and was seen falling into a river
 C. Throwing the ball into the air, it went to the courtyard wall and saw itself falling into a river
 D. As the ball was thrown into the air, it was seen going over the courtyard and falling in the river
 E. A ball was thrown in the air, it went over the courtyard wall and fell in the river

Critical Reasoning

Direction for questions 19 to 22: Select the best answer choice.

19. Researchers at Warwick have made an electronic nose to smell fruits. They have shown that their e-nose can be used to predict the ripeness of bananas as well as other fruits. Their leading-edge technology has already produced general-purpose, desktop-size electronic noses.
 If the above statement is true, which of the following could also be probably true?

- A. The e-nose developed by the Warwick researchers will mimic the human nose
 - B. It may be possible to develop e-nose technology for other uses
 - C. The e-nose has an array of sensors to detect odours
 - D. The study does not consider other potential uses of e-nose in which the sense of smell is applicable
 - E. There is no organ that cannot be mimicked
20. The other substitutes for masonry, plumbing, use of filler slab, replacement of lintels by arches and the techniques and alternative building materials adopted in National Building Organisation experimental projects have been provided in the report. Which of the following pieces of information does the data in the passage offer?
- A. Techniques of low-cost housing
 - B. Alternative methods of building-construction
 - C. Experiments conducted by the National Building Organisation
 - D. Durable construction material
 - E. National Building Organization is the sole organization conducting housing research
21. Influenced by TV ads, many people reach for cold pills at the first few sneezes. They are disappointed to find that the effect of the drug is short-lived and the cold is back in full force a few hours later. It can be inferred from the above information that:
- A. no drug is of practical use against the cold virus
 - B. medicines for cold can give immediate but short-term relief
 - C. sneezing and coughing are contagious
 - D. people use cold medicines incorrectly
 - E. even before you have a cold you start taking medicines
22. "Although historical research and anthropological research often complement one another, the two disciplines retain important distinctions because of the fundamental questions that each poses. Historians are mainly interested in why change occurred, whereas anthropologists are concerned with the meanings of actions and systems." Which of the following is implied in the above passage?
- A. The meanings of actions and systems do not fully explain why change occurred
 - B. The distinctions between life and art are diminishing
 - C. Actions and systems are not usually subject to historical change
 - D. Anthropological research is not concerned with change
 - E. The questions posed by the two disciplines share certain assumptions about human behaviour

Reading Comprehension

Direction for questions 23 to 27: The questions are based on the given passage. After reading the passage, choose the best answer to each question.

That the US has been on a spending binge, which has helped fuel the stock market boom is certainly clear. What is not clear to economists is that this policy laid the foundations for the coming recession. That most economists are unable to detect the true link between the stock market and consumer spending was apparent from their expectation that the 20% drop in the Dow between July and December would curb consumer spending. The reason it did not is because both are fuelled by the same source – the Fed. Consumer spending is not a function of stock market prices.

Unable to free themselves of Keynesian thinking, the failure of the Dow drop to check consumption was interpreted as meaning that consumers are convinced that the good times will keep on rolling and so maintained their optimism and spending. In fact, American consumers are spending so much the savings ratio has turned negative, something that has not happened since

the depths of the Great Depression. Without savings, the American economy cannot accumulate capital. And it is capital that raises living standards, not the Federal Reserve's manipulation of interest rates. Consumption does not drive economies and is only a small part of total economic activity. This gross error has led some economic observers to speculate that the booming service sector will be the 'powerhouse' that will offset slowdowns in any other part of the economy. Austrian analysis completely explodes this myth and we shall now see why.

The Austrian experience shows that by forcing down the rate of interest the Federal Reserve misleads businesses, especially in the higher stages of production, into thinking that the fund of real capital has expanded. They, therefore, embark on projects for which the capital goods necessary for their completion do not exist. This makes itself felt through various shortages and bottlenecks. As these start to appear, many businesses begin to suffer a cost-price squeeze as prices are no longer sufficient to maintain expansion or even cover factor costs. Nevertheless, the so-called service sector, the one closest to consumption, undergoes a boom with rising demand and employment.

Factors must be paid. Companies that responded to the low interest rates used the additional funds to bid up the prices of capital goods and specific types of labour, which obviously raised their costs of production. This additional expenditure translated into factor incomes, which were then spent on consumption goods. This, in turn, raised demand at the consumption end of the production structure. The increased demand made itself felt throughout the structure by bidding factors away from the higher stages. To aggravate the situation, savings actually became negative, meaning that the social rate of time preference was leaving nothing for investment. The pool of real funds had run dry. These higher-stage investments will now turn out to be unsound investments that will have to be liquidated. Unable to cover their costs of production companies will have to cut outlays, sell their inventories for what they can get and institute lay-offs.

23. According to the author of the passage, which of the following is definitely not a function of the stock market prices?
- A. Consumer spending
 - B. Recession
 - C. Saving ratio
 - D. Capital
 - E. Interest rates
24. What according to the author drives the economy and raises standards of living?
- A. Interest rates
 - B. Capital
 - C. Consumption
 - D. Service sector
 - E. Stock market prices
25. Forcing down the interest rate leads to which of the following?
- A. Decrease in consumption goods
 - B. Decreased demand
 - C. Real capital formation
 - D. Increase in real funds
 - E. Negative savings
26. What sector do some economists think would prove to be a powerhouse that would boost the American economy?
- A. Agricultural sector
 - B. Services sector
 - C. Industrial sector
 - D. Stock market
 - E. None of these

27. According to the author, which one of these is not the outcome of a decrease in the rate of interest?
- A. Shortages
 - B. Bottlenecks
 - C. Cost price squeeze
 - D. Expansion in fund of real capital
 - E. Increase in demand in the service sector

Answer Key

		6	D	12	C	18	E	24	B
1	D	7	D	13	A	19	A	25	E
2	C	8	A	14	B	20	B	26	B
3	C	9	C	15	B	21	B	27	D
4	B	10	E	16	C	22	A		
5	D	11	E	17	C	23	A		

Explanations

1. If $x > 3$
 Then $|x - 3| = x - 3$; $|x - 2| = x - 2$ and $|x - 1| = x - 1$
 Therefore, $|x - 3| + |x - 2| + |x - 1| \geq 6$
 Gives $x - 3 + x - 2 + x - 1 \geq 6$
 $3x - 6 \geq 6$
 $3x \geq 12$
 $x \geq 4$... (i)
 If $x < 1$, then $|x - 3| = -(x - 3)$; $|x - 2| = -(x - 2)$ and
 $|x - 1| = -(x - 1)$
 Therefore, $|x - 3| + |x - 2| + |x - 1| \geq 6$
 So, $-(x - 3) - (x - 2) - (x - 1) \geq 6$
 $6 - 3x \geq 6$
 $x \leq 0$... (ii)
 Combining (i) and (ii), we have
 $x \leq 4$ or $x \geq 0$
2. $4x^2 - y^2$ can be written as $(2x + y)(2x - y) = 7(2x - y)$
 Therefore, $4x^2 - y^2$ is a multiple of 7.
 From the given options, only C is a multiple of 7.
3. Let r_1 and r_2 be the radii of the two circles respectively.
 Then, $2\pi(r_1 - r_2) = 4\pi$
 Therefore, $2(r_1 - r_2) = 4$ or $2r_1 - 2r_2 = 4$ or $d_1 - d_2 = 4$, where d_1 and d_2 are their diameters.
4. Let $f(x) = x^7 + ax^5 + 2x^3 + x + 2$ and is divisible by $x + 1$.
 By remainder theorem $f(-1) = 0$

$$(-1)^7 + a(-1)^5 + 2(-1)^3 + (-1) + 2 = 0$$

$$\text{Therefore, } -1 - a - 2 - 1 + 2 = 0$$

$$a = -2$$

5. Let the required number be X.
According to the problem,

$$\frac{3}{4}X + 75 = X$$

$$\frac{1}{4}X = 75$$

$$\text{Therefore, } X = 300$$

6. The number of ways in which 10 teams can be paired = Total number of games played by the teams.

$$\text{Total number of games} = {}^{10}C_2 = \frac{10 \times 9}{2} = 45$$

7. Since the number of students cannot be a fraction, the sum of the ratios must be a factor of 72.

4 : 7 does not follow the rule.

8. If the radius of the circle be r,

$$\text{from (I), we have } \frac{\pi r^2}{2\pi} = k \text{ (given) or } r = 2k$$

Therefore, (I) is sufficient.

From (II), we just get the property, which is not relevant.

Therefore, (II) is insufficient.

9. To check if ABC is an isosceles triangle, we need to know the coordinates of A, B and C.
From (I), we get the coordinates of B and C but not A.

Therefore, (I) is insufficient.

From (II), we get the coordinates of A but not that of B and C.

Therefore, (II) is insufficient.

Combining (I) and (II), we get the coordinates of A, B and C, which will give us the solution.

10. From (I), we do not get any definite answer.

Therefore, (I) is insufficient.

From (II), we get sum of first two numbers is 150. But it can be arrived at in any combination.

So we cannot say whether the numbers are less than 50 or not.

Combining the two also does not help.

11. (I) is not sufficient as right-angled triangles may have different side-lengths.

(II) is also not sufficient.

Combining (I) and (II), is also not sufficient as right-angled triangles with same perimeter may have different side-lengths.

12. From (I), we do not get sufficient information.

From (II), we do not get sufficient information.

Combining both (I) and (II), we have:

$$\text{Probability of A not getting caught} = 1 - \frac{1}{2} = \frac{1}{2}$$

$$\text{Probability of A getting caught and released} = \frac{1}{2} \times \frac{1}{3} = \frac{1}{6}$$

$$\text{Probability of A getting away} = \frac{1}{2} + \frac{1}{6} = \frac{2}{3}$$

13. From (I), n th term of a series $= n(n + 4) = n^2 + 4n$

$$\text{Sum of first } n \text{ terms} = \sum_{r=1}^n r^2 + \sum_{r=1}^n 4r$$

$$= \frac{n(n+1)(2n+1)}{6} + \frac{4n(n+1)}{2}$$

Therefore, (I) alone is sufficient.

From (II), 10th term is 10480 but no other information is given.

Therefore, (II) is insufficient.

14. From (I), downstream distance is unknown. So data is irrelevant.
Therefore, (I) alone is insufficient.
From (II), speed of the boat upstream and in still water is known. The difference between the two gives the speed of the stream.
Therefore, (II) is sufficient.
Hence, B is the answer.
15. Since the subject, 'skin', of the sentence is singular, the verb should also be singular, 'has', making (A) and (C) incorrect. If the subject is singular, the 'supply' should also be singular and not 'supplies' as in (D) and (E). Since (B) has the right verb 'has', it is the answer.
16. The subject 'major reasons' is plural. Hence, it should take the plural verb 'are'. (A) and (D) are incorrect, as they use the verb 'is'. The demanding in itself is not the reason as suggested by (B) and (E). Hence, these options are wrong. (C) is the answer as it correctly suggests that having demanding assignments and having part-time jobs are the reasons students fail to participate in the political process.
17. In a 'neither...nor' type of sentence, the subject appearing after 'nor' (her plight) regulates the verb. 'Her plight' is singular, so the verb would be the singular 'was' as well. Hence, (A) and (D) are wrong. Also in (A), the subject pronoun 'she' takes an objective case 'her' and is therefore incorrect, (B) uses 'or' instead of 'nor'. So the option is incorrect. (E) changes the tense to 'is'. (C) is the answer as it has the right verb 'was'.
18. (A) and (B) sound like a process rather than an action. (C) and (D) make the ball seem as if it were a living being. (E) is the best answer as it simply describes the sequence of events.
19. We are not aware of the limitations of the e-nose; so we cannot infer (B). We also do not know anything about its technology. Reject (C). We have been told of the conclusion of the study and not what all aspects of e-nose usage the scientists did research on, so (D) is out. (E) goes beyond the scope of the passage, which doesn't refer to all human organs. Since (A) is limited to the nose, it can be said to be probably true.
20. The passage does not refer to the financial viability of the methods suggested therein. So (A) cannot be said to be inferred from the passage. It does not even tell us how durable these methods are going to be. So reject (D). And (E) is extraneous information not suggested by the passage in any manner. The passage does talk of the experimental projects of the National Building Organisation. (C) is a possibility, but before we make any decision, we must also look at (B). This choice covers (C) and also includes what

has been left out by that choice, namely the substitutes and the alternatives available. (B) is better than (C) and ETS requires us to choose the best answer. Hence, (B) is the answer.

21. The passage limits itself to those cold pills that are advertised on TV. So we cannot make an inference about all drugs. Reject (A). Do the same with (C), since there is no mention of coughing in the passage. (D) is incomplete because all that we know is that people take the pills as shown on TV. Whether or not the manner in which they take them is correct, is not stated. (E) is wrong because according to the passage, people take pills after they have caught cold. (B) is a valid inference. The passage tells us that short-lived relief is available by taking the cold pill, but then the cold comes back in full force.
22. (B) is too vague. Whether or not actions or systems change hasn't been stated. So (C) is wrong. Since anthropology complements history, it cannot be said to be unconcerned with change. So (D) cannot be inferred. (E) deals with the assumptions about human behaviour, something that the passage ignores. (A) is a valid inference. It explains why the fundamental questions posed by history and anthropology are different.
23. Even though the author says that there exists uncertainty in the link between stock market and consumer spending, that is the view of other economists. His own view is 'consumer spending is not a function of stock market prices'. (A) is the answer.
24. The author mentions in the second paragraph: "In fact, American consumers are spending so much the savings ratio has turned negative, something that has not happened since the depths of the Great Depression. Without savings the American economy cannot accumulate capital. And it is capital that raises living standards, not Federal manipulation of interest rates. Consumption does not drive economies and is only a small part of total economic activity." Hence, (B) is the answer.
25. The reference for the answer is in the third paragraph: "Companies that responded to the low interest rates used the additional funds to bid up the prices of capital goods and specific types of labour, which obviously raised their costs of production. This additional expenditure translated into factor incomes, which were then spent on consumption goods. This, in turn, raised demand at the consumption end of the production structure. The increased demand made itself felt throughout the structure by bidding factors away from the higher stages. To aggravate the situation, savings actually became negative." Hence, (E) is the answer.
26. Since the question pertains to what the economists believe, the correct answer lies in the second paragraph: "This gross error has led some economic observers to speculate that the booming service sector will be the 'powerhouse' that will offset slowdowns in any other part of the economy." Hence, (B) is the answer.
27. In the third paragraph, the author mentions that by forcing down the interest rates, the Federal Reserve misleads businesses, especially in the higher stages of production, into thinking that the fund of real capital has expanded. They, therefore, embark on projects for which the capital goods necessary for completion do not exist. This makes itself felt through various shortages and bottlenecks. As these start to appear, many businesses begin suffer a cost-price squeeze as prices are no longer sufficient to maintain expansion or even cover factor costs. Nevertheless, the so-called service sector, the one closest to consumption, undergoes a boom with rising demand and employment. (D) is the right answer.

The ICFAI Business School (IBS) is established to promote quality education, research, training and consultancy in management. ICFAI Business School centers are located all over India at Ahmedabad, Bangalore, Bhilai, Bhubaneswar, Chennai, Gurgaon, Hyderabad, Kolkata, Mumbai, Pune and Ranchi.

The IBSAT is the common admission test to the following PG Programs in Business Administration offered by the ICFAI Business School:

- MBA (with electives in Finance,

requirement to be able to face the rigors of an MBA program successfully. There are two phases in the admissions procedure. In the first phase, applicants appear for the IBSAT at over 60 test centers across the country. Applicants short-listed on the basis of their performance in the IBSAT are called for the second phase of the selection process.

Phase I

- **Admission Test:** To test the Aptitude and Awareness

The IBSAT is a three-hour test wherein

Current Affairs and a candidate's Aspirations.



IBSAT Date

The IBSAT is generally held in the month of December every year. For the next batch (2004-2006) the IBSAT examination will be held on 21 December 2003.

Test Centers

The IBSAT is held at more than 60 cities

THE ICFAI BUSINESS SCHOOL

Marketing, IT and HRM)

- MBA (Finance): Leading to the CFA Charter
- MBA (Accounting & Control): Leading to the CPA designation
- MBA (IT & Systems)
- MBA (HRM)
- MBA (Banking): Leading to the CBM designation.
- MBA (Insurance): Leading to the C-RIM designation.
- MBA (Investments): Leading to the CIIA designation

ICFAI Business School- Ranked among top business Schools in India.

P 12 B-School ICFAI Business School Ranked Among

- 1st Rank among B-Schools set up after 1990
- 1st Rank in Faculty Strength
- 1st Rank in Students Strength
- 7th Rank among Non-IIM B-Schools
- 6th Rank in Intellectual Capital
- 8th Rank in Academic Environs
- 9th Rank in Industry Interface
- 12th Rank on Overall basis among all B-Schools

IBSAT

Admission to the ICFAI Business School is based on multiple criteria. Each Criterion tests a candidate on a specific

the applicant's abilities in Quantitative techniques, data adequacy, vocabulary, writing skills, analytical reasoning and reading comprehension are tested. There are on an average 180 objective type multiple-choice questions to be answered in these three hours. There are negative marks for every wrong answer, which dissuades the candidate from taking wild guesses.

PHASE II

- **Micro Presentation:** To test the Communication Abilities

Each applicant has to make a 5-7 minutes presentation to the interview panel. The presentation will be on a topic chosen by the applicant from a list of suggested topics provided in advance. There is a question and answer session that requires the applicant to answer the queries raised by the evaluator and other applicants attending the presentation.

- **Preliminary Interview:** To test the Domain Knowledge

The applicants have to face an interview panel of experienced pool of academicians who form the admissions committee.

- **Final Interview:** To find out the General Knowledge, knowledge of

across India.

How to Crack the IBSAT

Cracking the IBSAT requires thorough planning and commitment to be successful. The sheer number of questions and the timeline require the applicant to be very fast to arrive at the answers. To be able to successfully qualify, the applicant will require preparations for at least 3-4 months on a regular basis. Several training institutions provide personal as well as correspondence coaching for similar tests.

To get through the Micro presentations and interviews applicants need to be confident, able to speak as a matter of fact, think on one's feet. Several applicants go through the mock interview and presentation route to prepare themselves to face the actual micro presentation and interviews.

The admissions committee also assigns due weightage to the applicant's past academic achievements, previous relevant work experience as well as academic-professional references.

The admissions committee selects from a pool of applicants, those individuals whose intellectual capacity, demonstrated leadership ability and personal characteristics best equip them for careers in management.

More About Global B-Schools

Top global B-schools share data on tuition costs, scholarship options, placement prospects...
(List in alphabetical order)

Asian Institute of Management, Manila



- Percentage of international students in the full-time programme (Class of 2004): 44.5%. Total No.: 37
- Percentage and total number of Indian nationals in the programme: 36.14%, 30
- Average work experience (in years) of Indian students: 4
- Average (as well as range of) GMAT score of the class of 2004: 670 (630-710)
- Average salary offered to the last batch (Class of 2002): NA
- Percentage of total students placed within a month of

passing out: 55%

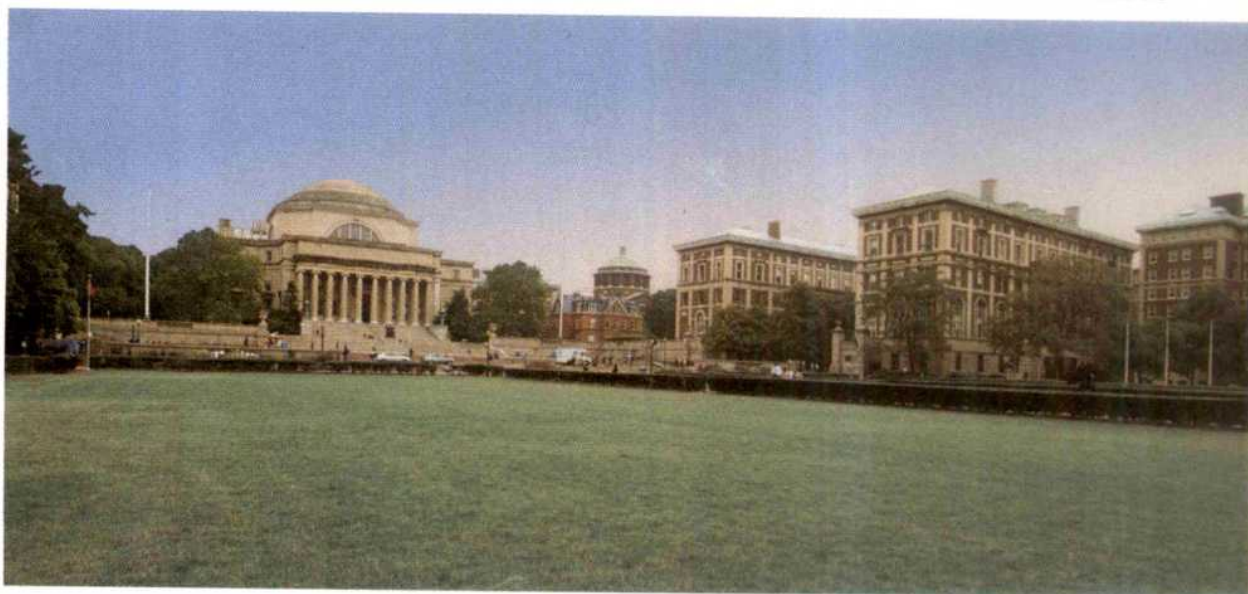
- Percentage of Indian students placed within a month of passing out: NA
- Specialisation most Indians have opted for: Finance
- Special incentives or scholarships for international students: Yes
- No. of Indian faculty members in the programme: 1
- Estimated annual cost of the full-time programme (including tuition fees and rent) for international students: Resident – \$8,000, non-resident – \$12,000, monthly rent – \$160. Recommended student budget (including tuition fees and living expenses): \$19,645
- Maximum financial aid possible for an international student: \$5,500
- Average size of scholarship awards available to international students: \$5,500
- No. of Indian students who got aid/scholarship in the class of 2004: NA



Columbia Business School



- Percentage of international students in the full-time programme (Class of 2004): 27%
- Percentage of Indian nationals in the programme: Approx. 2%
- Average work experience of Indian students: NA



- Average (as well as range of) GMAT score of the class of 2004: 711 (680-760)
- Average salary offered to the last batch (Class of 2002): \$157,000 p.a. (includes starting and year-end bonuses)
- Percentage of total students placed within a month of passing out: 84%
- Percentage of Indian students placed within a month of passing out: NA
- Specialisation most Indians have opted for: Students are not required to officially declare a concentration at Columbia Business School. Finance, entrepreneurship and management are amongst the most popular concentrations for those who declare one
- Special incentives or scholarships for international students: We offer very favourable rates on a private loan available to both US citizens and non-US citizens through the Business Education Loan Program (BELP). Although BELP is our preferred lender, we are happy to certify loans with the lender of your choice. We regularly work with Citi Assist, Access Group, T.H.E. and others
- No. of Indian faculty members in the programme: 9
- Estimated annual cost of the full-time programme (including tuition fees and rent) for international students: Tuition – \$32,154, activity/facility fees – \$368, health services & insurance – \$1,500, living expenses (room, board, clothing, sundries, travel, laptop, etc.) – \$24,488. Total: \$58,510
- Maximum financial aid possible for an international student: The maximum amount for loans is the full student budget less any other awards
- Average size of scholarship awards and total number of

scholarships available to international students: Through the generosity of corporate, individual and foundation donors, Columbia Business School is able to provide full-tuition and partial-tuition fellowships for exceptionally gifted students. Some of the corporate-sponsored fellowship programmes include recruitment opportunities for summer and future employment. To be considered for any of these programmes, admission applications need to be submitted by 15 January. These fellowships are highly competitive

- No. of Indian students who got aid/scholarship in the class of 2004: NA

Emory University, Goizueta Business School



- Percentage of international students in the full-time programme (Class of 2004): 31%
- Percentage and total number of Indian nationals in the programme: 5%, 21
- Average work experience (in years) of Indian students: 5.6
- Average (as well as range of) GMAT score of the class of 2004: 744 (730-760) for Indian students
- Average salary offered to the last batch (Class of 2002): \$74,175 p.a.
- Percentage of total students placed within a month of passing out: At graduation, 60% had jobs
- Percentage of Indian students placed within a month of passing out: NA
- Specialisation most Indians have opted for: NA



- Special incentives or scholarships for international students: Every applicant who submits a completed application by the 1 February deadline and who is offered admission is automatically reviewed for merit-based scholarships. No separate application is required. Our merit-based scholarships range from 20% to full tuition
- No. of Indian faculty members in the programme: 13
- Estimated cost of the full-time programme (including tuition fees and rent) for international students: For the full-time two year MBA programme the total cost is \$94,980 for all students (domestic and international). Annual tuition – \$29,136; annual living expense (rent, books, miscellaneous): \$18,354
- Maximum financial aid possible for an international student: Budgets are set annually, and international students with a credit worthy US co-signor, can apply for the total budget
- Average size of scholarship awards and total number of scholarships available to international students: Approx. 50%. We do not have a set number of scholarships available
- No. of Indian students who got aid/scholarship in the

class of 2004: We cannot give you specific information as it varies every year depending on the quality of the applicant pool

IMD



- Percentage of international students in the full-time programme (Class of 2004): 95%
- Percentage and total number of Indian nationals in the programme: 5%, 4
- Average work experience (in years) of Indian students: 6
- Average (as well as range of) GMAT score of the class of 2004: 670 (600-750)
- Average salary offered to the last batch (Class of 2001): \$96,000 p.a.
- Percentage of total students placed within a month of passing out: We only track placement on graduation and after three months when 93% of those looking have been placed
- Percentage of Indian students placed within a month of passing out: Three months after graduation, 3 of the 4 students had a job
- Specialisation most Indians have opted for: Our course is a General Management MBA with a focus on leadership
- Special incentives or scholarships for international students: Yes
- No. of Indian faculty members in the programme: 2
- Estimated cost of the full-time programme (including tuition fees and rent) for international students: 87,000 Swiss francs
- Maximum financial aid possible for an international



student: \$50,000 (75,000 Swiss francs) Loan: 60,000 Swiss francs

- Average size of scholarship awards and total number of scholarships available to international students: 32,200 Swiss francs. Ten different scholarships are available to IMD participants
- No. of Indian students who got aid/scholarship in 2002: 3

Indiana University, Kelley



- Percentage of international students in the full-time programme (Class of 2004): 30%
- Percentage and total number of Indian nationals in the programme: 7%, 38
- Average work experience (in years) of Indian students: 3.04
- Average (as well as range of) GMAT score of the class of 2004: 651 (580-710)
- Average salary offered to the last batch (Class of 2002): \$63,000 p.a.
- Percentage of total students placed within a month of passing out: 48%
- Percentage of Indian students placed within a month of passing out: 26%
- Specialisation most Indians have opted for: Finance
- Special incentives or scholarships for international students: There are no special incentives for international students. All international students who meet our priority application deadlines and are offered admission will be considered for merit-based financial aid (scholarships and graduate assistantships) given by

the School of Business

- No. of Indian faculty members in the programme: 8
- Estimated annual cost of the full-time programme (including tuition fees and rent) for international students: The estimated international student budget for Fall 2003 is \$42,277. This includes tuition and fees, room and board, required international student health insurance, books and supplies, and personal/misc. expenses
- Maximum financial aid possible for an international student: The largest award has a value of about \$12,000
- Average size of scholarship awards and total number of scholarships available to international students: International students and US citizens are not considered separately. Awards range from approximately \$2,000 to \$12,000, with an average value of \$5,000
- No. of Indian students who got aid/scholarship in the class of 2004: We do not release financial aid numbers by country, only aggregate data

London Business School



- Percentage of international students in the full-time programme (Class of 2004): 85%
- Percentage and total number of Indian nationals in the programme: 23 in MBA 2003, and 18 in MBA 2004
- Average work experience (in years) of Indian students: In MBA 2004, the average work experience of our Indian students is 5 years post graduation (we require a minimum of approximately 2 years post graduation)
- Average (as well as range of) GMAT score of the class of 2004: 710 (650-770) for Indian students
- Average salary offered to the last batch (Class of 2002): NA
- Percentage of total students placed within a month of passing out: NA
- Percentage of Indian students placed within a month of passing out: NA
- Specialisation most Indians have opted for: Our two-year MBA is a general management programme consisting of 14 core courses in the first year and 12 elective choices in the second year. Elective concentrations have only just been introduced for our second year class, so statistics are not yet available. Concentrations on offer from this year are change management, entrepreneurial management, finance, marketing, strategy, technology management and international business
- Special incentives or scholarships for international stud-



Tyagan Miller



ents: London Business School recently launched an innovative new loan scheme in partnership with HSBC Bank. To apply, you must have accepted an offer of a place (i.e. paid a commitment fee) for one of the LBS programmes. Indian nationals are eligible to apply for this scheme. LBS has an extensive portfolio of scholarships that is continually being extended and updated

- No. of Indian faculty members in the programme: 11
- Estimated annual cost of the full-time programme (including tuition fees and rent) for international students: International students pay the same fees as domestic students. For MBA 2005, the fees has been set at £39,970 for the full two-year course. Living costs vary tremendously, but students should set aside anywhere between £10,000 to £20,000 per year
- Maximum financial aid possible for an international student: The HSBC Bank-London Business School loan is available to students from most countries and provides funding to cover both tuition fees and living costs
- Average size of scholarship awards and total number of scholarships available to international students: Currently there are 15 scholarships available to international students, with an average value of £7,065. The British Chevening India Scholarship (specifically for Indian students) includes full tuition plus £1,000 for each month of study. This year we also had an extra scholarship for Indian students: the Derrick D'Souza award worth £5000
- No. of Indian students who got aid/scholarship in the class of 2004: Two Indian students from MBA 2004 received scholarships this year. Ninety-three percent of our Indian students (15 out of the 16 who applied) are also using the HSBC loan to finance their studies

McGill University



- Percentage of international students in the full-time programme (Class of 2004): 52%
- Percentage and total number of Indian nationals in the programme: 1%, 3
- Average work experience (in years) of Indian students: 5
- Average (as well as range of) GMAT score of the class of 2004: 644 (560-770)
- Average salary offered to the last batch (Class of 2002): \$54,780 p.a.
- Percentage of total students placed within a month of passing out: 71%
- Percentage of Indian students placed within a month of passing out: 100%
- Specialisation most Indians have opted for: Finance and general management
- Special incentives or scholarships for international students: MBA International Student Award of 1,500 or 3,000 CAD. This is renewable in the second year of the programme (permanent residents are not eligible for this award)
- No. of Indian faculty members in the programme: 8
- Estimated annual cost of the full-time programme (including tuition fees and rent) for international students: Tuition – \$28,000; Rent – \$9,600
- Maximum financial aid possible for an international student: MBA International Student award of 3,000 CAD
- Average size of scholarship awards and total number available to international students: 3,000 CAD, approx. 10 awards per entering class
- No. of Indian students who got scholarship/aid in the class of 2004: Nil



Melbourne Business School, Australia



- Percentage of international students in the full-time programme (Class of 2004): 55%
- Percentage and total number of Indian nationals in the programme: 11%, 18
- Average work experience of Indian students: NA
- Average GMAT score of the Class of 2003: 630
- Average salary offered to the last batch (Class of 2003): AUS \$135,000 p.a.
- Percentage of total students placed within a month of passing out: NA
- Percentage of Indian students placed within a month of passing out: NA
- Specialisation most Indians have opted for: Finance, strategy, entrepreneurship
- Special incentives or scholarships for international students: Approx. 15% of the students get a scholarship
- No. of Indian faculty members in the programme: 1
- Estimated annual cost of the full-time programme (including tuition fees and rent) for international students: Tuition AUS \$48,000 + AUS \$16,000 in living expenses for the entire 16-month programme
- Maximum financial aid possible for an international student: 50% of tuition (very rare though)
- Average size of scholarship awards and total number of scholarships available to international students: NA
- No. of Indian students who got aid/scholarship in the class of 2004: NA

Northwestern University, Kellogg



- Percentage of international students in the full-time programme (Class of 2004): 33%
- Percentage and total number of Indian nationals in the programme: NA
- Average work experience (in years) of Indian students: NA
- Average GMAT score of the class of 2004: 700
- Average salary offered to the last batch (Class of 2002): \$87,910 p.a.
- Percentage of total students placed within a month of passing out: 83%
- Percentage of Indian students placed within a month of passing out: NA
- Specialisation most Indians have opted for: NA



fact SHEETS

- Special incentives or scholarships for international students: NA
- No. of Indian faculty members in the programme: NA
- Estimated cost of the full-time programme (including tuition fees and rent) for international students: Annual average cost of tuition for all full-time students – \$32,040. Annual average cost of room, board, books and miscellaneous costs – \$12,756. Total: \$44,796
- Maximum financial aid possible for an international student: Range of financial aid packages from \$8,500 to \$52,000
- Average size of scholarship awards available to international students: \$7,000 for the Class of 2003 (including all international and resident students)
- No. of Indian students who got aid/scholarship in the class of 2004: NA

Ohio State University, Fisher



- Percentage of international students in the full-time programme (Class of 2004): 35%
- Percentage and total number of Indian nationals in the programme: 25 students in full-time class of 2004 (6.76%) and 11 in full-time class of 2003 (10.8%). Total in full-time programme: 288 students (36 Indian students, i.e. 8%)
- Average work experience (in years) of Indian students: NA



- Average (as well as range of) GMAT score of the class of 2004: NA
- Average salary offered to the last batch (class of 2002): NA
- Percentage of total students placed within a month of passing out: NA
- Percentage of Indian students placed within a month of passing out: NA
- Specialisation most Indians have opted for: NA
- Special incentives/scholarships for international students: No
- No. of Indian faculty members in the programme: 6
- Estimated annual cost of the full-time programme (including tuition fees and rent) for international students: Approx. \$35,854
- Maximum financial aid possible for international students: Approx. 50% off on tuition for both years (if selected to receive merit-based funding through the Fisher College)
- No. of Indian students who got aid/scholarship in the Class of 2004: 0

Stanford University, GSB



STANFORD
GRADUATE SCHOOL OF BUSINESS

- Percentage of international students in the full-time programme (Class of 2004): 32%
- Percentage and total number of Indian nationals in the programme: 4%, 13 (south Asian aggregated numbers)
- Average work experience (in years) of Indian students: NA
- Range of GMAT score of the class of 2004: 550-800



- Average salary offered to the last batch (Class of 2002): Mean base salary of all students who graduated in 2002: \$95,000 p.a.. Mean base salary of US citizens and permanent residents who graduated in 2002: \$96,000. Mean base salary of foreign nationals: \$91,000
- Percentage of total students placed within a month of passing out: NA
- Percentage of Indian students placed within a month of passing out: NA
- Specialisation most Indians have opted for: Stanford offers a general management programme
- Special incentives or scholarships for international students: International students are equally eligible for financial aid and loans
- No. of Indian faculty members in the programme: 4
- Estimated annual cost of the full-time programme (including tuition fees and rent) for international students: Tuition – \$33,300, room and board (food) – \$18,897
- Maximum financial aid possible for an international student: Potentially, the cost of tuition (\$33,300)
- Average size of scholarship awards and total number of scholarships available to international students: Mean financial aid package (including loans) to first-year students: \$36,214. No. of full-tuition scholarships awarded in past 12 months: 7. Total money distributed to MBAs through the financial aid office in the last 12 months: \$18 million
- No. of Indian students who got aid/scholarship in the class of 2004: NA

Thunderbird



- Percentage of international students in the full-time programme (Class of 2004): 59%
- Percentage and total number of Indian nationals in the programme: 5.5%, 58
- Average work experience (in years) of Indian students: NA
- Average GMAT score of the class of 2004: 600
- Average salary offered to the last batch (Class of 2002): NA
- Percentage of total students placed within a month of passing out: NA
- Percentage of Indian students placed within a month of passing out: NA
- Specialisation most Indians have opted for: Finance

- Special incentives or scholarships for international students: Thunderbird has scholarships specifically designated for international students
- No. of Indian faculty members in the programme: 6
- Estimated annual cost of the full-time programme (including tuition fees and rent) for international students: The full cost (tuition, room, board, fees, etc.) of our three-semester MBA in International Management is \$65,000
- Maximum financial aid possible for an international student: The maximum financial aid available for any Thunderbird student is a four-semester tuition waiver valued at \$53,600 at current tuition rates

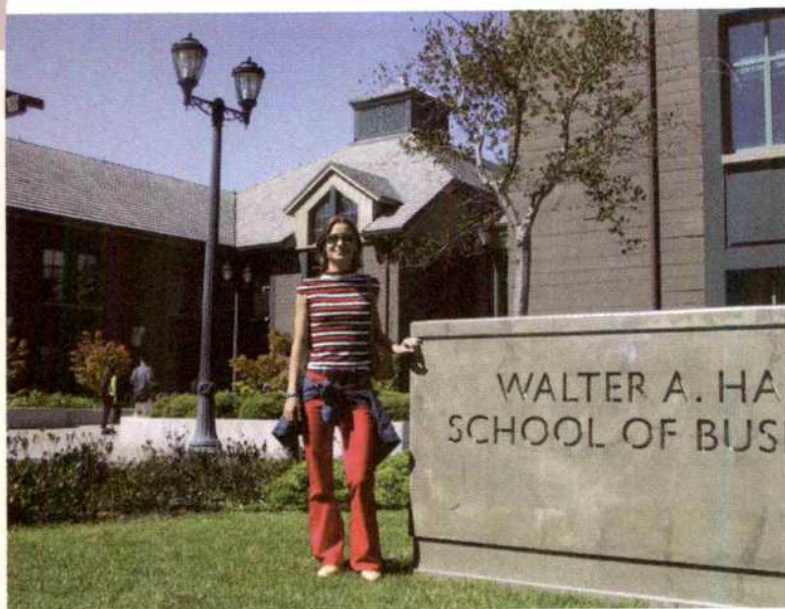
- Average size of scholarship awards and total number of scholarships available to international students: Our scholarship data is not segregated by nationality. Awards are made based on merit criteria as spelt out on our web site
- No. of Indian students who got aid/scholarship in the class of 2004: NA

University of California at Berkeley (Haas)



- Percentage of international students in the full-time programme (Class of 2004): 34%
- Percentage and total number of Indian nationals in the programme: 3%, 13
- Average work experience (in years) of Indian students: 4 years and 8 months





- Average (as well as range of) GMAT score of the class of 2004: NA
- Average salary offered to the last batch (Class of 2002): \$84,500 p.a.
- Percentage of total students placed within a month of passing out: NA
- Percentage of Indian students placed within a month of passing out: NA
- Specialisation most Indians have opted for: Since the Haas School does not have majors or concentrations, we cannot answer this question definitively. However, our educated guess is that a distribution of Indian students' interests would be similar to the class as a whole. Finance, marketing, strategy, entrepreneurship and technology are the top areas
- Special incentives or scholarships for international students: We offer merit scholarships to approximately 15% of our incoming class each year, including international students. International students are equally considered for scholarships as are domestic students. Awards are given to those applicants with exceptional merit and career potential as demonstrated in the admission application
- No. of Indian faculty members in the programme: 5
- Estimated annual cost of the full-time programme (including tuition fees and rent) for international students: Fees – \$21,752, living expenses – \$18,772 Total: \$40,524
- Maximum financial aid possible for an international student: Starting from Fall 2003, students awarded a scholarship will receive full tuition and fees for a two-

year period. This does not include living expenses, transportation or books. An international student borrowing a private loan with a credit-worthy US citizen or permanent resident as co-signor can borrow up to the full cost of attendance (approx. \$40,900). Without a co-signor, international students are limited to borrowing approx. \$10,000. This is subject to change

- Average size of scholarship awards and total number of scholarships available to international students: In 2002-03 Haas awarded 36 merit scholarships to our entering class. Sixteen of these 36 scholars were international students. This number varies annually, depending on the applicant pool. Scholarships are not set aside for international students – they compete with the entire applicant pool. In 2002-03, the scholarship amounted to full tuition and fees for one year or \$21,752. As mentioned above, scholarships awarded in Fall 2003 will be for two years of tuition and fees. There is no total number of scholarships available to international students – we award just over \$1 million in scholarships each year. The number that is awarded to international students depends on the strength of the international applicants in the pool in a given year
- No. of Indian students who got aid/scholarship in the class of 2004: Indian students have received financial aid/scholarships but we cannot give out details

University of California at Los Angeles, Anderson



- Percentage of international students in the full-time programme (Class of 2004): 25%
- Total number of Indian nationals in the programme: 13
- Average work experience (in years) of Indian students: 5
- Average (as well as range of) GMAT score of the class of 2004: Median GMAT is 710 (650-750)
- Average salary offered to the last batch (Class of 2002): \$100,000 p.a., including base salary and bonuses
- Percentage of total students placed within a month of passing out: 72%
- Percentage of Indian students placed within a month of passing out: NA
- Specialisation most Indians have opted for: Anderson does not require students to declare a concentration since our flexible MBA programme allows students to customise their degree as they wish. Like all our other students, Indians have focused on widely varied areas of study, including entrepreneurship, entertainment, finance, operations management, etc.
- Special incentives or scholarships for international students: All entering students are eligible for our merit fellowships based on the overall strength of their application, including academic qualifications, work experience and leadership. Second-year students, similarly, qualify for fellowships based on their performance at Anderson, both in and out of the classroom
- No. of Indian faculty members in the programme: There are at least six Indians on our faculty, including the chairman of the faculty, Rakesh Sarin
- Estimated annual cost of the full-time programme (including tuition fees and rent) for international students: \$22,500 per year (tuition and fees), \$20,000 (living expenses)
- Maximum financial aid possible for an international student: Maximum aid available, including fellowships and loans, would cover all the annual costs for a student, provided he meets all the various requirements
- Average size of scholarship

awards and total number of scholarships available to international students: For merit fellowships to international students, the average award is approx. \$12,000 and the total number available varies according to funding but averages approx. two dozen a year. Loans from various sources supplement these totals in most financial aid packages

- No. of Indian students who got aid/scholarship in the class of 2004: Approx. 3/4 of our Indian students received aid packages in the last two years (including fellowships, grants and loans)

University of Cambridge, Judge



- Percentage of international students in the full-time programme (Class of 2004): 87%
- Percentage and total number of Indian nationals in the programme: 3.2%, 4
- Average work experience (in years) of Indian students: 4.75
- Average (as well as range of) GMAT score of the class of 2004: 630 (580-720)
- Average salary offered to the last batch (class of 2001): £43,000 p.a.
- Percentage of total students placed within a month of passing out: 63%
- Percentage of Indian students placed within a month of passing out: As there were two Indian students in this



class, we would undermine their confidentiality by releasing this information

- Specialisation most Indians have opted for: The Cambridge MBA is a general degree in management. Students are able to specialise in areas of particular interest by choosing electives drawn from a wide-ranging portfolio
- Special incentives/scholarships for international students: a) Director's Scholarships – up to six scholarships of £5,000 each are awarded to candidates of exceptional quality. All candidates are automatically considered; b) Nabil Boustany Scholarship for Lebanese students – Lebanese candidates intending to pursue the two-year integrated version of the MBA course may be eligible for the Nabil Boustany Scholarship; c) Margaret Thatcher Scholarships for Russian candidates – Russian candidates with at least three years work experience in Russia or elsewhere in the former Soviet Union may be eligible for this scholarship. Up to five awards are available each year. They range from £3,000 to £30,000 (roughly 10% to 90% of the full cost) and are given at the discretion of The Margaret Thatcher Scholars Scheme Committee; d) Gates Cambridge Scholarships – A generous benefaction from the Bill and Melinda Gates Foundation has enabled the Gates Cambridge Trust to offer Gates Cambridge Scholarships. The scholarships cover the full cost of course fees and a maintenance allowance. Scholars of outstanding merit from any country (except the United Kingdom) are eligible, provided they have gained admission to the University of Cambridge to pursue graduate studies. Full details on all scholarships are available at: www.jims.cam.ac.uk/programmes/mba/finance
- No. of Indian faculty members in the programme: 3
- Estimated annual cost of the full-time programme (including tuition fees and rent) for international students: Tuition fee – £21,000; accommodation and meals – £7,500; Total: £28,500
- Maximum financial aid possible for an international student: Gates Scholarship – 100% of tuition cost and a maintenance allowance. Thatcher Scholarship – maximum £30,000
- Average size of scholarship awards and total number of scholarships available to international students: Eight international scholarships were awarded to members of the current class. The average size of the scholarships: £15,250
- No. of Indian students who got aid/scholarship in the class of 2004: NA

University of Chicago, Graduate School of Business



- Percentage of international students in the full-time programme (Class of 2004): 29%
- Percentage and total number of Indian nationals in the programme: 5%, 53
- Average work experience (in years) of Indian students: 4.4
- Average GMAT score of the class of 2004: 687
- Average salary offered to the last batch (Class of 2002): \$87,631 p.a. plus bonuses
- Percentage of total students placed within a month of passing out: 74% (82% three months after graduation)
- Percentage of Indian students placed within a month of passing out: NA
- Specialisation most Indians have opted for: Finance
- Special incentives or scholarships for international students: No
- No. of Indian faculty members in the programme: 7
- Estimated annual cost of the full-time programme (including tuition fees and rent) for international students: For all students, \$57,730 for 9 months (3 quarters) is estimated (tuition is \$32,500 for the 9-month first year)
- Maximum financial aid possible for an international student: NA
- Average size of scholarship awards and total no. of scholarships available to international students: NA
- No. of Indian students who got aid/scholarship in the class of 2004: NA



University of Pennsylvania, Wharton

**The Wharton School
University of Pennsylvania**

- Percentage of international students in the full-time programme (Class of 2004): 36%
- Percentage of Indian nationals in the programme: 5.3%
- Average work experience (in years) of Indian students: NA
- Average (as well as range of) GMAT score of the class of 2004: 711
- Average salary offered to the last batch (Class of 2002): NA
- Percentage of total students placed within a month of passing out: NA
- Percentage of Indian students placed within a month of passing out: NA
- Specialisation most Indians have opted for: NA
- Special incentives or scholarships for international students: NA
- No. of Indian faculty members in the programme: 7
- Estimated annual cost of the full-time programme (including tuition fees and rent) for international students: The educational budget for students in the academic year 2002-03 is \$58,681 (first year); \$54,328 (second year). Tuition and fees – \$34,946; room and board – \$14,200; books and supplies – \$1,682; miscellaneous – \$3,500. Sub-total: \$54,328. Pre-term estimate (first year only) on fees, room and board, books and supplies: \$4,353
- Maximum financial aid possible for an international student: If one includes loans as a source of FA, an international student could receive as much aid as the

total student budget. In case of scholarship/fellowships, an international student could receive an award to cover tuition, if selected

- Average size of scholarship awards and total number of scholarships available to international students: Typically, an award ranges from \$7,500-10,000. Wharton does provide a small number of awards that cover tuition. Wharton awards merit-based scholarships, therefore, all students, including international, are reviewed at the time of admission for a merit award. Wharton currently has 5 scholarships that are only for international students
- No. of Indian students who got aid/scholarship in the class of 2004: Nil

University of Rochester, Simon

simon

- Percentage of international students in the full-time programme (Class of 2004): 50%
- Percentage of Indian nationals in the programme: 5%
- Average work experience (in years) of Indian students: 7
- Average GMAT score of the class of 2004: 649
- Average salary offered to the last batch (class of 2002): \$78,061 p.a.
- Percentage of total students placed within a month of



passing out: NA

- Percentage of Indian students placed within a month of passing out: NA
- Specialisation most Indians have opted for: Finance
- Special incentives or scholarships for international students: All students (domestic and international) are eligible for merit-based scholarships
- No. of Indian faculty members in the programme: 3
- Estimated total cost of the full-time programme (including tuition fees and rent) for international students: Tuition – \$60,600; fees and rent – \$23,504
- Maximum financial aid possible for an international student: 50%
- Average size of scholarship awards and total number of scholarships available to international students: NA
- No. of Indian students who got aid/scholarship in the class of 2004: 15 of the 20 admitted were offered scholarship

University of Southern California, Marshall



- Percentage of international students in the full-time programme (Class of 2004): 26%
- Percentage and total number of Indian nationals in the programme: 31 (five are permanent residents) in both years
- Average work experience (in years) of Indian students: NA
- Average GMAT score of the class of 2004: 684
- Average salary offered to the last batch (Class of 2002): \$90,023 p.a. (includes signing bonus but not include guaranteed bonus)



- Percentage of total students placed within a month of passing out: NA
- Percentage of Indian students placed within a month of passing out: NA
- Specialisation most Indians have opted for: While students select specialisations, the degree is awarded for business, not in a sub-area of study
- Special incentives or scholarships for international students: The school does not have special incentives, but does have scholarships and loans are available
- No. of Indian faculty members in the programme: All the faculty members in the count were born in India though they may now be permanent residents or citizens of the US. The total count is 15.5 (the 1/2 faculty reflects time spent in the Marshall School, or half-time for the one person)
- Estimated annual cost of the full-time programme (including tuition fees and rent) for international students: \$47,267
- Maximum financial aid possible for an international student: A full scholarship
- Average size of scholarship awards and total number of scholarships available to international students: NA
- No. of Indian students who got aid/scholarship in the class of 2004: 8

University of Texas at Austin, McCombs



McCOMBS
SCHOOL OF BUSINESS

- Percentage of international students in the full-time programme (Class of 2004): 26%
- Percentage of Indian nationals in the programme: 3%
- Average work experience (in years) of Indian students: 5.4
- Average GMAT score of the class of 2004: 678
- Average salary offered to the last batch (Class of 2002): \$79,175 p.a.
- Percentage of total students placed within a month of passing out: 74% (This number represents those students who were placed by graduation. The MBA career services council determines what data we calculate and report. Their standard is that we have information about placement as of graduation and then as of three months after.)
- Percentage of Indian students placed within a month of passing out: 60%
- Specialisation most Indians have opted for: Information



Management

- Special incentives or scholarships for international students: All applicants, internationals included, are automatically considered for recruiting scholarships at the time of application and during the admission process. No special application is needed. The Longhorn Scholarships are also given out through recruiting. We gave out 64 scholarships last year totalling \$135,000, plus another \$170,040 in tuition savings. In addition, during the first semester, international students may apply for Continuing Student Scholarships. Scholarship application forms are available starting January for the spring semester in the MBA Program Office
- No. of Indian faculty members in the programme: 12
- Estimated annual cost of the full-time programme (including tuition fees and rent) for international students: The total is \$82,128 (\$41,064 per year)
- Maximum financial aid possible for an international student: \$14,000 per year
- Average annual size of scholarship awards and total number of scholarships for international students: \$7,250 (146)
- No. of Indian students who got aid/scholarship in the class of 2004: 3 (13 were offered)

University of Toronto, Rotman



- Percentage of international students in the full-time programme (Class of 2004): 40%
- Percentage and total number of Indian nationals in the programme: 2.5%, 10
- Average work experience (in years) of Indian students: 7
- Average GMAT score of the class of 2004: 670
- Average salary offered to the last batch (Class of 2002): 89,000 CAD p.a.



- Percentage of total students placed within a month of passing out: 77%
- Percentage of Indian students placed within a month of passing out: NA
- Specialisation most Indians have opted for: Finance
- Special incentives or scholarships for international students: Interest Subsidy Grant equal to two years interest on a full-tuition loan (approx. 2,400 CAD)
- No. of Indian faculty members in the programme: 6
- Estimated annual cost of the full-time programme (including tuition fees and rent) for international students: For MBA students entering the programme in Fall 2003, tuition for two years is 59,450 CAD; rent approx. 5,000 CAD per year; living expenses approx. 5,000 CAD per year

- Maximum financial aid possible for an international student: 12,500 CAD for first year, 5,000 CAD for second year, plus Interest Subsidy Grant
- Average size of scholarship awards available to international students: Approx. 7,500 CAD in the first year; 3,500 CAD in the second
- No. of Indian students who got aid/scholarship in the class of 2004: Nil

University of Virginia, Darden



- Percentage of international students in the full-time programme (Class of 2004): 28%
- Percentage and total number of Indian nationals in the programme: 3%, 17
- Average work experience (in years) of Indian students: 5
- Average (as well as range of) GMAT score of the class of 2004: 683 (550-780)
- Average salary offered to the last batch (Class of 2002): It depends in the industry, but the median salary is \$85,000 per year with a median annual bonus of \$15,000
- Percentage of total students placed within a month of passing out: NA
- Percentage of Indian students placed within a month of passing out: NA
- Specialisation most Indians have opted for: The programme does not offer specialisations. It is a general management course
- Special incentives or scholarships for international students: A limited number of scholarships for incoming first year international students and a large number for second year students are available based upon academic performance and a contribution to the community during the first year
- No. of Indian faculty members in the programme: 2 +

1 visiting faculty

- Estimated annual cost of the full-time programme (including tuition fees and rent) for international students: The total tuition cost of the full-time programme is \$66,000 (18 months) and the total cost for living (rent, food, and others) is approx. \$36,000
- Maximum financial aid possible for an international student: Full tuition loan is available through a third-party lender without requirement of a co-signor
- Average size of scholarship awards and total number of scholarships available to international students: a) The

Dean's Scholarships – these full and half-tuition scholarships support international students; b) Region-specific scholarship funds support students from a specific region irrespective of the country of origin and include: The Asian Fund, The Latin American Fund, The European Fund; c) IRC Asian Scholarship – this annual merit-based, full tuition, two-year scholarship is awarded to an Asian

student; d) Batten Scholarships – these full and half-tuition scholarships are available for international students with an entrepreneurial spirit, demonstrated leadership skills and a drive for innovation. Approx. 10-12 scholarships are awarded to incoming students each year

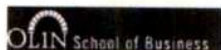
- No. of Indian students who got aid/scholarship in the class of 2004: 1

University of Western Ontario, Richard Ivey



- Percentage of international students in the full-time programme (Class of 2004): 34%
- Percentage of Indian nationals in the programme: 4
- Average work experience of Indian students: NA
- Average GMAT score of the class of 2004: 660
- Average salary offered to the last batch (Class of 2002): NA
- Percentage of total students placed within a month of passing out: NA
- Percentage of Indian students placed within a month of passing out: NA
- Specialisation most Indians have opted for: NA
- Special incentives or scholarships for international students: No
- No. of Indian faculty members in the programme: 3
- Estimated annual cost of the full-time programme (including tuition fees and rent) for international students: 50,000 CAD
- Maximum financial aid possible for an international student: Scholarships are based on merit. The maximum scholarship we offer is full tuition
- Average size of scholarship awards and total number of scholarships available to international students: NA
- No. of Indian students who got aid/scholarship in the class of 2004: Awards were given to Indian students in 2004 – total value over two years was 50,000 CAD

Washington University, Olin



- Percentage of international students in the full-time programme (Class of 2004): 32%
- Percentage and total number of Indian nationals in the programme: 6%, 10
- Average work experience (in years) of Indian students: 6.75
- Average (as well as range of) GMAT score of the class of 2004: 682 (640-720)
- Average salary offered to the last batch (Class of 2002): NA
- Percentage of total students placed within a month of passing out: NA



- Percentage of Indian students placed within a month of passing out: NA
- Specialisation most Indians have opted for: Finance (but there is fairly high variation)
- Special incentives or scholarships for international students: They are treated the same as all applicants. All scholarship funding is merit based. There are loans for international students who do not have domestic co-signors
- No. of Indian faculty members in the programme: 9
- Estimated annual cost of the full-time programme (including tuition fees and rent) for international students: Approx. \$50,000
- Maximum financial aid possible for an international student: NA
- Average size of scholarship awards and total number of scholarships available to international students: We do not publish average loan sizes
- No. of Indian students who got aid/scholarship in the class of 2004: 7

Yale University, Yale School of Management



- Percentage of international students in the full-time programme (Class of 2004): 38%
- Percentage of Indian nationals in the programme: 5.4%
- Average work experience (in years) of Indian students: NA



- Average (as well as range of) GMAT score of the class of 2004: 698
- Average salary offered to the last batch (Class of 2002): Average base salary – \$85,368 p.a.; average signing bonus – \$18,875
- Percentage of total students placed within a month of passing out: 80% received offers within three months
- Percentage of Indian students placed within a month of passing out: NA
- Specialisation most Indians have opted for: NA
- Special incentives or scholarships for international students:

Scholarships: Yale SOM offers a limited number of international student scholarships based on financial need and merit. We determine need based on the financial statement you complete in your application for admission, and determine merit based on your admissions credentials. No additional application is required and amounts range up to full tuition. (Even if you are not applying for financial aid, you need to complete the financial statement on the application for admission. You should only include funding that is guaranteed and available.)

GATE Loans: Once you have successfully completed your first semester, you are eligible to borrow up to a total of \$50,000 through this Yale SOM-sponsored

programme. No co-signor is required. You may borrow up to \$20,000 in your second semester and an additional \$30,000 in your second year

Private loans: You can also borrow through private loan programmes if you have a solid credit history. The amount available varies depending on your total financial assistance. The private loans require a US co-signor.

- No. of Indian faculty members in the programme: 5
- Estimated annual cost of the full-time programme (including tuition fees and rent) for international students: Estimated international single student budget for 2002-03 is \$49,140. The estimated cost for married students without children for 2002-03 is \$55,640. For each dependent child, include an additional \$4,000
- Maximum financial aid possible for an international student: Depending on need and merit, it is possible to finance entire cost of tuition through a combination of scholarships and loans
- Average size of scholarship awards and number of scholarships available to international students: Varies from year to year
- No. of Indian students who got aid/scholarship in the class of 2004: 63% of all Yale SOM students are receiving financial assistance, including scholarships, need-based grants and long-term loans ■

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Carnegie Mellon University	United States	www.gsai.cmu.edu
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College of William & Mary	United States	www.business.wm.edu
Columbia University: Columbia	United States	www.gsb.columbia.edu
Cornell University: Johnson	United States	www.johnson.cornell.edu
Cranfield School of Management	United Kingdom	www.cranfield.ac.uk/som
Dartmouth College: Tuck	United States	www.tuck.dartmouth.edu
Duke University: Fuqua	United States	www.fuqua.duke.edu
Edinburgh University Management School	United Kingdom	www.ems.ed.ac.uk
Emory University: Goizueta	United States	www.goizueta.emory.edu
ESADE	Spain	www.esade.edu
Georgetown University: McDonough	United States	www.msb.edu
Georgia Institute of Technology: DuPree	United States	www.dupree.gatech.edu/index2.shtml
Golden State University: Robinson	United States	www.robinson.gsu.edu
Harvard Business School	United States	www.hbs.edu
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Imperial College Management School	United Kingdom	www.ms.ic.ac.uk
Indiana University: Kelley	United States	www.kelley.indiana.edu
INSEAD	France	www.insead.edu
Instituto de Empresa	Spain	www.ie.edu
Iowa State University	United States	www.bus.istate.edu/grad
IPADE	Mexico	www.ipade.mx
ITESM	Mexico	egade.sistema.itesm.mx
IESE Business School	Spain	www.iese.edu
London Business School	United Kingdom	www.london.edu
Manchester Business School	United Kingdom	www.mbs.ac.uk/programmes/mba/index
McGill University	Canada	www.management.mcgill.ca
McMaster University: DeGroote	Canada	www.degroote.mcmaster.ca
Melbourne Business School	Australia	www.mbs.unimelb.edu.au
Michigan State University: Broad	United States	mba.bus.msu.edu
Mississippi State University	United States	www.cbi.msstate.edu/cobi.gsb.index
MIT: Sloan	United States	mitsloan.mit.edu/mba
New York University: Stern	United States	www.stern.nyu.edu
Northwestern University: Kellogg	United States	kellogg.northwestern.edu
Ohio State University: Fisher	United States	www.cob.ohio-state.edu
Pennsylvania State University: Smeal	United States	www.smeal.psu.edu.mba
Purdue University: Krannert	United States	www.mgmt.purdue.edu/pr
Queens School of Business	Canada	www.business.queensu.ca
Rice University: Jones	United States	www.jones.gsm.rice.edu
Rotterdam School of Management	Netherlands	www.rsm.nl
Santa Clara University: Leavey	United States	business.scu.edu
SDA Bocconi	Italy	www.sdabocconi.it/it
Southern Methodist University: Cox	United States	mba.cox.smu.edu
Stanford University GSB	United States	www.gsb.stanford.edu
Stony Brook University: Harriman	United States	www.sunysb.edu
Strathclyde Graduate School of Business	United Kingdom	www.gsb.strath.ac.uk
Texas A & M University: Mays	United States	business.tamu.edu
The College of William & Mary	United States	business.wm.edu
Thunderbird	United States	www.t-bird.edu
Trinity College Dublin	Ireland	www.tcd.ie
Tulane University: Freeman	United States	www.freeman.tulane.edu
Universiteit Nyenrode	Netherlands	www.nyenrode.nl
University at Buffalo, State University of NY	United States	www.buffalo.edu

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University College Dublin: Smurfit	Ireland	www.ucd.ie/~pgstudy/comm/comm2.htm
University of Arizona: Eller	United States	www.eller.arizona.edu/mba/
University of Bath School of Management	United Kingdom	www.bath.ac.uk/management/mba
University of British Columbia	Canada	www.commerce.ubc.ca/mba/index.cfm
University of Calgary	Canada	www.haskayne.ucalgary.ca/acaprogram
University of California at Berkeley: Haas	United States	haas.berkeley.edu
University of California at Irvine GSB	United States	www.gsm.uci.edu
UCLA: Anderson	United States	www.mba.anderson.edu
University of Cambridge: Judge	United Kingdom	www.jims.cam.ac.uk
University of Chicago GSB	United States	gsb.uchicago.edu
University of Georgia: Terry	United States	www.terry.uga.edu/mba
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